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The World's Daily Newspaper

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Paris, Tuesday, April 7, 1998

No. 35,799

TODAY:
STYLE

Piecing Together a \$70 Billion Deal

CITIBANK

Operating earnings for 1997, by sector

Developed consumer banking

Corporate banking

Emerging-market consumer banking

Emerging-market corporate banking

Total: \$4.15 billion

World's Top Five Companies by Assets

Travelers/Citibank \$697.46 billion

Bank of Tokyo-Mitsubishi \$582.65 billion

HSBC Holdings PLC \$393.67 billion

Chase Manhattan Corp. \$365.52 billion

General Electric Corp. \$304.01 billion

Sources: Reuters, Company reports

The Travelers

Operating earnings for 1997, by sector

Investment services

Property/casualty insurance

Life insurance

Consumer finance

Total: \$3.36 billion

International Herald Tribune

A New No. 1: Financial Giants Unite

Citibank and Travelers Plan to Merge in Record \$70 Billion Deal

By Mitchell Martin
International Herald Tribune

NEW YORK — Citibank and Travelers Group said Monday they would merge in the largest corporate combination ever, creating the world's biggest financial-services company and offering banking, insurance and investment operations in 100 countries.

The companies described the deal as a merger, valuing it at \$140 billion, but the mechanism is essentially a stock swap, with Travelers paying \$70 billion for Citibank's shares. That would make it nearly twice as big as the current record holder, WorldCom's pending \$42 billion offer for MCI Communications.

Travelers will issue 2.5 shares for each Citibank share, and current stockholders of each company will own about half of the new enterprise.

With \$698 billion of assets, the merged enterprise would be the largest

financial-services company in the world, slightly larger than Bank of Tokyo-Mitsubishi. The new company, to be called Citigroup, would also be by far the most valuable in the business, with a market capitalization of about \$135 billion.

Its logo will retain the bank's familiar lettering followed by an umbrella, the symbol used by Travelers.

Much of Wall Street liked the deal, and Citibank's stock shot up \$35.625 to close at \$178.50, while Travelers rose \$11.3125 to close at \$73. The announcement, which was made before the market opened, helped the Dow Jones industrial average move convincingly through the 9,000 level. (Page 11)

The deal would give Travelers the ability to market mutual funds and insurance to Citibank's retail customers while giving the bank access to an expanded client base of investors and insurance buyers. In this way, it is similar

| The Dollar | | | |
|------------|-----------------|----------------|--|
| New York | Monday @ 4 P.M. | previous close | |
| DM | 1.8406 | 1.8472 | |
| Pound | 1.6663 | 1.6595 | |
| Yen | 134.705 | 135.10 | |
| FF | 6.175 | 6.1913 | |

to the deal early last year that joined Morgan Stanley Group Inc., a securities underwriter and asset manager, with Dean Witter Discover & Co., a retail stockbroker and credit-card purveyor.

But there are some major hurdles to be cleared. Travelers said it would apply to the Federal Reserve Board to become

a bank holding company. Current law would require it to get rid of some of its nonbanking holdings. In recent years, however, there has been much erosion of legislation designed to separate the banking and securities industries.

A key goal of the combination, John Reed, the Citibank chairman, said at a news conference, would be to make investment products such as stocks and bonds available to middle-class customers around the world. Citibank has built a global retail franchise alongside its worldwide corporate banking business, while Travelers is an investment and insurance conglomerate that last year bought Salomon Brothers Inc. to add to its Smith Barney brokerage operations.

"We like the deal," said Tim Chriskey, portfolio manager of the Dreyfus Fund, which has stakes in Citibank and Travelers. "They are combining a

See DEAL, Page 6

Palestinians Link Hamas To Death of Bomb-Maker

Israel Welcomes Finding as Proof It Was Not Involved

By Doug Struck
Washington Post Service

JERUSALEM — The Palestinian authorities declared Monday that members of the radical Hamas group, and not Israel, killed the bomb-maker Muhiyiddin Sharif in Ramallah last week, and said they had arrested five men involved.

The announcement was greeted with relief in Israel, where a high security alert has been in effect since Hamas threatened to retaliate for the killing with bombings.

But members of Hamas's political leadership rejected the assertion, and the group's militant wing again called for violent strikes against Israel.

A Hamas leader, Abdelaziz Rantisi, said in Gaza: "Hamas sticks to its charges that Israel was responsible." A statement from its military wing called the Palestinian declaration "lies" and a "hopeless attempt" to save the stalled peace process.

The finding by the Palestinian Authority seemed to suggest a solution to a difficult prob-

lem that had threatened to bring more violence.

The Israeli authorities warned Sunday that a terrorist attack would bring the implementation of peace accords to a halt and rule out further Israeli withdrawal from the West Bank.

Mr. Sharif's dismembered body was found after a car exploded March 29 in Ramallah, in the Palestinian-controlled West Bank. Palestinian suspicions initially focused on Israel after an autopsy revealed that Mr. Sharif had been shot and killed and his body planted by the car.

The bomb-maker was suspected of arranging several devastating suicide bomb attacks against Israel, which has publicly acknowledged a policy of assassinating violent opponents. But on Monday the Palestinian Authority said that Mr. Sharif had been killed as a result of an internal power struggle within Hamas.

The Palestinian security chief, Jabril Rajoub, said: "These men were traitors, killers and criminals. They were affiliated with Hamas. They were colleagues who used to break bread with him."

See HAMAS, Page 6



Tayeb Abdel Rahim, aide to Yasser Arafat who announced the Palestinian Authority's findings, heading to a meeting on Monday with a Hamas leader, Abdelaziz Rantisi.

Hashimoto Vows to Spur The Economy

Feeling Sting of Criticism, Japanese Leader Drafts \$120 Billion Spending Plan

By Mary Jordan
Washington Post Service

TOKYO — Prime Minister Ryutaro Hashimoto, stung by the worldwide criticism over what has been perceived as his slow response to Japan's economic problems, showed signs Monday of more aggressive leadership and indicated that he had no intention of resigning.

As early as Wednesday, Mr. Hashimoto is to outline to the public how he plans to spend \$120 billion to stimulate the economy, his aides said Monday night.

At that time, his aides said, he will acknowledge that he has shifted away from a stubborn course of fiscal restraint toward a huge program of pouring public money into the economy to get it rolling again.

Emergency meetings of lawmakers were held Monday to begin smoothing the way for a revision of the law that will allow for large-scale income tax cuts — a move that is being urged by economists here and abroad.

The hope is that if Japanese consumers have more disposable income, they will start spending again and revive the desperate housing, car, clothing and department-store sectors. Consumer spending is at its lowest point in nearly 30 years and is a prime culprit in the economic slowdown.

Until now, Mr. Hashimoto has been noticeably absent from the forefront of the debate over how to fix the Japanese economy; many analysts said it was because of his weak leadership and the warring factions in his party.

But Monday, both he and his aides indicated that he would soon announce significant income-tax cuts and a record outlay, in real or inflation-adjusted terms, on public works, and that he

See HASHIMOTO, Page 15

Guerrilla Groups Gathering Strength in Kosovo

By Chris Hodges
New York Times Service

JABLANICA, Yugoslavia — A gaunt, nervous rebel with a scraggly black beard and a large hunting knife protruding from one of the pockets of his vest pulled a chrome-plated pistol from his belt as two dozen guerrillas ambled from nearby farmhouses to join him.

"This is our territory," he said. "We are through with these Albanian intellectuals in Pristina, with journalists, diplomats and everyone else. No one saved our women and children from slaughter. Now it is up to us."

The once-elusive guerrilla bands from the

Kosovo Liberation Army, who are fighting for an independent state in this Serbian province, are suddenly ubiquitous. Rebel groups that a few weeks ago numbered four or five guerrillas have quadrupled in size, swelled in part by an infusion of new troops and weapons smuggled over the border from Albania.

There are also indications that the guerrillas have been joined by foreign mercenaries. The rapid and startling growth of the armed insurgency has prompted fears that the unrest in the province could explode into the next Balkan war.

The guerrillas move within a few hundred yards of sandbagged police checkpoints and open fire frequently on passing police convoys. They wear

uniforms with red, green, black and white splotches, as well as arm patches with the black, double-headed Albanian eagle and cradle new, well-oiled assault rifles. On the ridge tops above them other rebels, including adolescent boys, man machine guns from newly dug trenches.

Assault rifles are casually slung over the shoulders of nearly every ethnic Albanian male in these mountains, including those in the cordoned-off Drenica triangle, about 40 kilometers (25 miles) west of Pristina.

Many interviews with rebels over the last week suggest that the guerrillas have been joined by

See KOSOVO, Page 6

VOICES OF DISSENT ARE EADING IN 2 ASIAN COUNTRIES

In Malaysia, Tolerance Goes Way of Economy

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — It has been 11 years since Lim Guan Eng sat in a windowless interrogation room with a bright light shining in his face and a policeman shouting in his ear every time he nodded off to sleep.

He recalls the dark blue walls padded with asbestos — to ensure that detainees did not commit suicide by knocking their heads against them. And he remembers the twisted expression of a furious interrogator who destroyed furniture in front of him with his bare hands to show his frustration with the pace of the questioning.

Mr. Lim, a leading member of Malaysia's parliamentary opposition, has reason to refresh his memories of 18 months in detention. He might be heading back to jail soon.

Last week he was sentenced to another 18 months in prison for distributing a political pamphlet, a decision he has appealed to the country's highest court. If the appeal fails, he will be the first

See MALAYSIA, Page 7



Lim Guan Eng being escorted by a Malaysian policeman on the way to post bail after the court's ruling last week.

In Indonesia, Students Struggle 'on Their Own'

By Keith B. Richburg
Washington Post Service

JAKARTA — Just a few weeks ago, with Indonesia in the throes of its deepest economic and political crisis in decades, the country's political opposition seemed briefly to have found its voice.

President Suharto must step down, opposition spokesmen said. New leadership is needed to tackle the country's dire economic straits, they insisted.

They declared that three decades of rule by Mr. Suharto — accompanied, they said, by corruption, nepotism and cronyism — was quite enough.

In a country where public dissent is rare and most forms of political expression are tightly constricted, such calls seemed like a new grass-roots revolt. But then Mr. Suharto, 76, was unanimously reappointed by Parliament to a seventh five-year term, and just as suddenly as it appeared, Indonesia's opposition — isolated and unable to stir popular discontent — seemed to shrink from sight.

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American TV Is Pushing the Envelope of Pop-Culture Propriety

By Lawrie Mifflin
New York Times Service

NEW YORK — Like a child acting outrageously naughty to see how far he can push his parents, mainstream television in the United States this season is flaunting the most vulgar and explicit sex, language and behavior that it has ever brought into American homes. And, as sometimes happens with the spoiled child, the tactic works: Attention is being paid.

Ratings are high, few advertisers are rebelling against even the most provocative shows, and more and more parents seem to have given up resisting

their children in squabbles over television. Often, in a nation of two-income families, single parents and latchkey kids, children are left to watch whatever they want.

This season's wave of vulgarity has re-ignited opposition from some public figures who have long complained about television's influence on what they call family values. And some teachers and school principals have sent notes home, warning parents about certain shows, like the cartoon "South Park." But the outcry seems fainter and less widespread than it has in the past.

"South Park," the most popular show on cable and the most talked-about one in all television,

features four dirty-talking third graders who poison Granddad, promote a boxing match between Jesus and Satan, and converse with a talking pile of stool called "Mr. Hankey the Christmas Poo."

On the hottest new show among teenagers, WB's prime-time drama "Dawson's Creek," one of the lead characters, a high school boy, had a sexual affair with his English teacher; another, a football star, was mocked by some girls for being impotent.

"The Jerry Springer Show," a daytime talk show that has cranked up its formula of sexual betrayal followed by fistcuffs, has begun to challenge "Oprah," the queen of the genre, for the

No. 1 ranking in daytime viewership. It has grown so popular with teenagers that MTV featured two "Jerry Springer Break" shows on its annual spring-break weekend in March.

After "South Park," the most popular series on cable is professional wrestling, which appeals to children as much as to adults. Half the top 30 programs on cable during the first quarter this year were wrestling; the two wrestling shows rank among the top six favorite cable shows of teenagers.

And last week Howard Stern, the most infamous

See TV, Page 7

AGENDA

Courier Give U.S. Davis Cup Victory

Jim Courier recovered from a disastrous first set Monday to beat Marat Safin, of Russia, 6-4, 4-6, 6-1, 6-4 and push the United States into the second round of the Davis Cup World Group.

Bad weather had delayed the last two singles matches until Monday at Stone Mountain, Georgia. In the first match, Yevgeni Kafelnikov beat Andre Agassi, 6-3, 6-0, 7-6 (7-3), ending Agassi's 16-match victorious streak in Davis Cup singles and tying the score at 2-2.

In the deciding match, Safin, an 18-year-old playing in the Davis Cup for the first time, made a dream start but Courier, 27, recovered.

Earlier article, Page 18

U.S. Bans Imports Of 58 Types of Guns

President Bill Clinton announced Monday a permanent ban on imports of 58 types of military-style assault weapons, blocking the entry of more than a million high-powered guns into the United States.

The action followed a 120-day Treasury Department review of import permit applications for foreign-made guns to determine whether they meet an exemption to laws allowing weapons that can be used for sport. Page 3.

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The Women's Revolt in Afghanistan

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Newsstand Prices

| | | | | |
|--------------|-------|---------------------|--------|--------|
| Atlanta | 10.00 | FF Lebanon | 11.30 | 3,000 |
| Amsterdam | 12.50 | FF Morocco | 16.00 | 16.00 |
| Antwerp | 12.50 | FF Qatar | 10.00 | 10.00 |
| Bahia | 12.50 | FF Reunion | 12.50 | 12.50 |
| Bangkok | 12.50 | FF Saudi Arabia | 10.00 | 10.00 |
| Bombay | 12.50 | FF Senegal | 1.100 | 1.100 |
| Buenos Aires | 12.50 | FF Spain | 225 | 225 |
| Calcutta | 12.50 | FF Tunisia | 1.250 | 1.250 |
| Cardiff | 12.50 | FF U.A.E. | 10.00 | 10.00 |
| Chennai | 12.50 | FF U.S. Mkt. (Eur.) | \$1.20 | \$1.20 |
| Colombo | 12.50 | | | |
| Dhaka | 12.50 | | | |
| Dubai | 12.50 | | | |
| Frankfurt | 12.50 | | | |
| Geneva | 12.50 | | | |
| Hong Kong | 12.50 | | | |
| London | 12.50 | | | |
| Los Angeles | 12.50 | | | |
| Madrid | 12.50 | | | |
| Mumbai | 12.50 | | | |
| New York | 12.50 | | | |
| Paris | 12.50 | | | |
| Rangoon | 12.50 | | | |
| Seoul | 12.50 | | | |
| Singapore | 12.50 | | | |
| Taipei | 12.50 | | | |
| Tokyo | 12.50 | | | |
| Winnipeg | 12.50 | | | |
| Zurich | 12.50 | | | |



Women's Rights / Sounding Off About the Taliban

When Half of Afghanistan Is Kept in Seclusion

By Barbara Crossette
New York Times Service

JALALABAD, Afghanistan — "The government can cover our faces," said the intense young woman who had once been a teacher. "But underneath, we still want our rights."

The woman was sent home from her job by the militant Islamic Taliban movement after it took control of much of this country in 1996 and decreed that women could no longer work and must be veiled in the all-enveloping chador, or *burqa*, which leaves only a small patch of embroidered grillwork at eye level for navigating the outside world. She was one of about a dozen women who gathered at some risk in a private home near Kabul in recent days to meet Carol Bellamy, executive director of the United Nations Children's Fund.

Ms. Bellamy had just met several Taliban leaders to press for expanded women's rights, and she wanted to know what the women of Afghanistan wanted. "We want peace, and work, and the doors of schools to open for our girls," someone said.

The circle of teachers, a doctor and several homemakers — sitting cross-legged on the carpeted floor of a mud-walled house — wanted to tell Ms. Bellamy, woman to woman and without inhibitions, what life was like in Afghanistan after decades of political upheaval, a Soviet invasion, a holy war, a civil war and now an era marked by enforcers of Islamic militancy riding around in jeeps and pickups beating up sinners.

In the midst of the session, when a man tried to deliver a message to Ms. Bellamy through an intermediary, she said firmly: "No men here! This is a meeting for women." Faces all around the room broke into smiles.

"We are women, and you are also, and you can help us," another former teacher said. "Men don't listen to us."

But some men do seem to be listening. In the discussions Ms. Bellamy had with women in three provinces and through interviews conducted by female reporters who accompanied her, a strong theme emerged. And it was echoed later in conversations with men who, ironically, could not under their own rules crash a gathering of women who were not their wives or relatives. It was that "the Talebs," as they are known, are destroying an already wounded country, economically and socially. The repression of women, many of whom live like prisoners in their own homes, is only a harsh symptom of a larger disease, they said.

IT IS A FEAR expressed in different ways by men and women, many of them fresh from years in refugee camps where they lived in some semblance of order, with schools and clinics to serve their needs. Women who say they came home to cast their lot with the Taliban as the best bet for the future feel that they are on the front lines of a battle for survival.

"With half the people of Afghanistan in *pardah*," a midwife said after a session with Ms. Bellamy at a hospital here in Jalalabad, "we can't find nurses and other hospital staff. We are headed for disaster." *Pardah* is the custom of secluding women, shielding them from any men who are not members of their family.

Several women said they had asked their husbands to talk to the Taliban about their families' hardships and the broader toll that



Several women said they had asked their husbands to talk to the Taliban about their families' hardships and the broader toll of the movement's edicts. The Talebs brushed aside their fears, they said.

the movement's edicts is taking on Afghanistan. The Talebs brushed aside their fears, they said. Moreover, on the streets, men who call themselves "good Muslims" also live in terror of seemingly unprovoked attacks by Islamic enforcers and are easily silenced.

In Jalalabad recently, government officials tried to prohibit female journalists from walking in the bazaar. They said that a Filipino woman was beaten up last year and that they did not want another such incident. They appeared unable to guarantee safety from the mobile punishment squads or mysterious kidnappers not linked to the Taliban who recently began to strike in the area.

Interviews with Taliban officials indicate that they are either unconcerned or not fully aware of the erosion of the authority that they were at first willingly granted by a

conservative Muslim population tired of civil war.

Told that almost every woman questioned by reporters ranked universal education as the country's most pressing need, officials said again and again that they recognized that girls had the right to go to school and that they had the duty to provide equal educational opportunities, but that they were incapable of meeting the demand. They cited a lack of teaching materials, and also said that there were not enough buildings to create separate schools for girls.

"We need more time," a regional governor said. And a high-ranking official in Kabul said it was unfair to hold the Taliban responsible for the country's problems. "The Russians should be blamed," he said, repeating a familiar explanation. Afghan men and women do not often disagree with

the opinion that pro-Soviet Afghan governments had used education for indoctrination, or that a new curriculum will have to be created. But they see no progress toward that goal.

The doubts about where the Talebs, or elements of the movement, may be taking Afghanistan are also provoking open defiance of military conscription in some areas, where parents hide their boys from forced recruitment. A war in the north with remnants of the alliance that ruled the country from 1992 to 1996 drains precious resources, human and material.

Many families in this country of 21 million people have lost the income not only of women but also of men who died in fighting, were thrown out of jobs in purges of government offices or left in the flight of private businessmen and middle-class professionals.

BOYS AS WELL as girls are being denied education because many teachers were women who have not been replaced, and their male counterparts who remained in the schools are often not paid and therefore do not show up. When girls at one of dozens of "home schools" springing up around the country with the help of foreign foundations or aid programs were asked if their fathers approved of their attending these classes, they shouted, "Yes! Yes!"

Their teacher came back to her mud-brick village among the green fields of rural Laghman Province after working in a refugee camp in Pakistan. She said she and three other former teachers set up her school in a family home because they could no longer work and girls could no longer go to government schools. The school, one of several hundred supported by a Swedish nonprofit organization, teaches basic literacy and the Koran, which Muslim women have begun to study to defend themselves from what they see as the misinterpretations of self-styled fundamentalists.

"Maybe in the future they will have a chance to work outside," she said of the two dozen little girls seated on the earthen floor. "But whatever happens, an education will make them better people in their families."

The world the Talebs movement imposed on the women of Afghanistan is not without its paradoxes. Everywhere women say they are safer. The era of the *mujahidin*, the gangs of holy warriors who drove the Soviet Army from the country in 1992 but then proved incapable of governing it, was marked by lawlessness that fell hard on women.

Rape was common. There was often shooting in the streets by day and armed robbery at night. Checkpoints set up by rival movements, often little more than gangs, fleeced people coming and going from one part of Kabul to another or on country roads.

All of this, Afghans and foreign aid workers say, is gone in areas controlled by the Talebs, now amounting to two-thirds of the country. "But we have exchanged the rockets that fell on our houses from the sky for the rockets that hit our stomachs every time the prices go up," an Afghan businessman said.

In recent months there has been some relaxation in rules governing the behavior of women, though no one seems to know for certain if this reflects official thinking or merely dwindling zeal.

Detention of Mayor Seems to Highlight Iran Political Split

Reuters

DUBAI — The detention of Mayor Gholam-Hossein Karbaschi of Tehran on graft charges has brought into the open a struggle between moderates and conservatives brewing in Iran since the election of President Mohammed Khatami, according to analysts.

Iranian analysts as well as some of the media said Monday that Mr. Karbaschi's detention on Saturday went beyond the legal issues and highlighted a national dispute among the factions.

"This is not a minor investigation into a city mayor," Jahangeer Behrouz, a Tehran-based political analyst, said by telephone. "This is a national issue which is part of the battle between the right and the left in Iran's government."

"The conservatives sent a message through the judiciary. The message is that we have power, too."

The judiciary denies the charges, pointing to the conviction of several of Mr. Karbaschi's top aides on graft charges since last year. The moderates have questioned the legality of some of those convictions by referring to charges of torture and mistreatment raised by the convicted officials.

Mr. Karbaschi, a close ally of Mr. Khatami, was detained following a court appearance on graft and mismanagement charges. The court ordered the mayor to be held without bail for up to one month pending further investigation.

Newspapers said Monday that his case would go to trial in about three weeks.

Supporters of the mayor say he was targeted by the conservative-led judiciary because of his open backing of Mr. Khatami in elections last May, when the moderate Shiite cleric soundly defeated conservative opponents.

"The right-wing forces have expended a lot of energy on bringing Karbaschi down since the election," said Amid Naeini, editor of Payam-e-Emrouz, a moderate monthly magazine.

"Karbaschi's detention is aimed at imposing pressure on the government of President Mohammed Khatami and weakening his government," Faazeh Hashemi, a pro-Khatami member of Parliament who is the daughter of former President Hashemi Rafsanjani, told the daily Iran News.

Conservative members of Parliament defended the decision on Monday, saying that the mayor should not be above the law. "If Karbaschi is guilty and the case has been proven, he should be dealt with and punished free from any factional and political pressure," Hossein Ali Qassemzadeh told Iran News.

The analysts said the issue posed a major test for Mr. Khatami, a moderate who has adopted a nonconfrontational policy toward his conservative opponents, who still wield much power.

"If this situation is not resolved, we could see a full-blown political crisis," Mr. Naeini said.

Iran's cabinet condemned the decision, saying Mr. Karbaschi would continue to work from his jail cell.

U.S. Hopes Iran Will Not 'Misinterpret' Detention

The Clinton administration said Sunday night it hoped that Iran did not misinterpret the detention of Iranian wrestlers by the immigration authorities when the athletes entered the United States this week to take part in a tournament. The New York Times reported from Washington.

The group, the first Iranian sports team to visit the United States since the fall of the Shah in 1979, was detained for two hours, photographed and fingerprinted as it entered the country at O'Hare International Airport in Chicago. They were on their way to take part in the World Cup of Freestyle Wrestling at Oklahoma State University.

"We certainly hope that this procedure is not misinterpreted as a sign of diminished interest in promoting such exchanges because it is not," an administration official, who insisted on not being identified, said.

James Foley, deputy spokesman for the State Department, said Sunday night that federal law required such procedures for "nonimmigrant" visitors, mainly tourists who are not government officials, from Iran, Iraq, Libya and Sudan. Mr. Foley said he hoped the delay and the procedures would not disrupt the tentative steps that the United States and Iran have been taking to warm relations.

How can manufacturers reduce the costs of development and production?

Don't miss the eighth in a series of sponsored pages in the IHT on electronic business.

April 20

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TRAVEL UPDATE

Pilots at All Nippon Airways Strike

TOKYO (Bloomberg) — All Nippon Airways, Japan's second-largest airline, said its pilots went on strike Monday to oppose a 15 percent cut in pay.

Two flights between Kansai International Airport and Rome will be canceled Tuesday. On Wednesday, 10 flights to the United States, Hong Kong and Europe may be canceled.

The earliest the pilots will return to work is Thursday, when pilots at Japan Airlines, the country's biggest airline, and Japan Air System plan to strike.

French Museums Open for Easter

PARIS (AFP) — France's national museums will be open Easter Sunday, with many also open on Monday, a holiday. In Paris, the Orsay Museum of Impressionist art will be closed Monday, as will be the Versailles chateau and the Trianon. They are always closed Mondays.

The Louvre will be open throughout the long weekend but will close earlier than usual, at 6 P.M., on Monday, the National Museums management said.

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Olympic Strikes

ATHENS (Reuters) — Olympic Airways flight attendants said Monday that they would stage 24-hour strikes on Tuesday and Thursday to protest government restructuring plans.

Attendants from Olympic Aviation, the carrier's domestic subsidiary, said they would join the walkout Tuesday.

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.



Seasonable in the North-East with showers Wednesday, but rain is likely stormy Friday. Dry and much warmer in the South-West. Dry and cool in the central and northern Plains Wednesday and Thursday, but much warmer Friday. The Southeast will have soaking rain Thursday.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, h-hurricanes, f-fog, s-snow flurries, s-snow, h-hail, w-wind, v-volcanic.

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Asia

| City | High | Low | Wind | Cloud | Precip |
|--------------|-------|-------|------|-------|--------|
| Almaty | 18/28 | 3/27 | 8 | 0 | 0 |
| Bangkok | 34/32 | 23/27 | 10 | 0 | 0 |
| Beijing | 24/16 | 13/8 | 5 | 0 | 0 |
| Bombay | 34/32 | 23/27 | 10 | 0 | 0 |
| Calcutta | 34/32 | 23/27 | 10 | 0 | 0 |
| Chengdu | 18/28 | 3/27 | 8 | 0 | 0 |
| Colombo | 34/32 | 23/27 | 10 | 0 | 0 |
| Hong Kong | 27/30 | 20/18 | 10 | 0 | 0 |
| Kuala Lumpur | 34/32 | 23/27 | 10 | 0 | 0 |
| Manila | 34/32 | 23/27 | 10 | 0 | 0 |
| New Delhi | 40/14 | 20/8 | 10 | 0 | 0 |
| Osaka | 27/30 | 20/18 | 10 | 0 | 0 |
| Seoul | 27/30 | 20/18 | 10 | 0 | 0 |
| Shanghai | 27/30 | 20/18 | 10 | 0 | 0 |
| Singapore | 34/32 | 23/27 | 10 | 0 | 0 |
| Taipei | 27/30 | 20/18 | 10 | 0 | 0 |
| Tokyo | 27/30 | 20/18 | 10 | 0 | 0 |
| Yokohama | 27/30 | 20/18 | 10 | 0 | 0 |

North America

| City | High | Low | Wind | Cloud | Precip |
|---------------|-------|-------|------|-------|--------|
| Albuquerque | 51/41 | 42/32 | 10 | 0 | 0 |
| Atlanta | 27/30 | 20/18 | 10 | 0 | 0 |
| Boston | 14/27 | 4/23 | 10 | 0 | 0 |
| Chicago | 18/28 | 3/27 | 8 | 0 | 0 |
| Denver | 14/27 | 4/23 | 10 | 0 | 0 |
| Dallas | 27/30 | 20/18 | 10 | 0 | 0 |
| Houston | 27/30 | 20/18 | 10 | 0 | 0 |
| Los Angeles | 27/30 | 20/18 | 10 | 0 | 0 |
| Memphis | 27/30 | 20/18 | 10 | 0 | 0 |
| Minneapolis | 14/27 | 4/23 | 10 | 0 | 0 |
| New York | 27/30 | 20/18 | 10 | 0 | 0 |
| Oakland | 27/30 | 20/18 | 10 | 0 | 0 |
| Phoenix | 27/30 | 20/18 | 10 | 0 | 0 |
| San Francisco | 14/27 | 4/23 | 10 | 0 | 0 |
| Seattle | 14/27 | 4/23 | 10 | 0 | 0 |
| Tampa | 27/30 | 20/18 | 10 | 0 | 0 |
| Washington | 14/27 | 4/23 | 10 | 0 | 0 |

Latin America

| City | High | Low | Wind | Cloud | Precip |
|----------------|-------|-------|------|-------|--------|
| Buenos Aires | 18/28 | 3/27 | 8 | 0 | 0 |
| Caracas | 27/30 | 20/18 | 10 | 0 | 0 |
| Lima | 27/30 | 20/18 | 10 | 0 | 0 |
| Mexico City | 27/30 | 20/18 | 10 | 0 | 0 |
| Rio de Janeiro | 27/30 | 20/18 | 10 | 0 | 0 |
| Santiago | 27/30 | 20/18 | 10 | 0 | 0 |

Oceania

| City | High | Low | Wind | Cloud | Precip |
|----------|-------|-------|------|-------|--------|
| Auckland | 27/30 | 20/18 | 10 | 0 | 0 |
| Sydney | 27/30 | 20/18 | 10 | 0 | 0 |

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THE AMERICAS

Over Nuclear Dump, Hazy Cloud of Green

By Joby Warrick
Washington Post Service

CLIVE, Utah — Deep in the Great Salt Lake Desert, 40 miles from the nearest town, freight cars are lined up before dawn, laden with hazardous cargo. Tractor-trailers and dump trucks arrive as the sun climbs, adding to the procession of haulers of radioactive waste that snake for a mile across the sand.

Delays can stretch for hours or even days here, for this is the home of Envirocare, the only private dump in America that handles the U.S. government's nuclear waste. Since 1993, more than 14 million cubic feet (420,000 cubic meters) of lightly radioactive dirt and junk from the Department of Energy has been dumped at this isolated spot — mostly because there was nowhere else for it to go.

Envirocare has won contracts worth as much as \$250 million from the Department of Energy alone and is projected to receive \$350 million more from the department over the next five years. In exchange, the dump has given the federal government something that it needs very badly: a reliable way to get rid of mountains of low-level radioactive debris without breaking budgets or triggering lawsuits from states and communities near contaminated sites around the country.

But this mutually beneficial relationship has become clouded by questions of propriety that threaten

the dump's future, and with it the government's plans for cleaning up contaminated Cold War bomb factories, uranium processors and other facilities.

In a series of revelations over the past year, Khosrow Semnani, Envirocare's founder and owner, acknowledged paying \$600,000 to Larry Anderson, who was then director of the Utah Radiation Control Division and the state regulator responsible for the dump's license and safety.

The nature of the payments remains in dispute, and there is no evidence so far of serious safety problems at the dump. But the payments have raised questions about the validity of Envirocare's license and the adequacy of the state's response to the dump's history of safety violations — which include chunks of radioactive material falling from boxes and top managers scoring zero on radiation competency tests.

Perhaps more important, the controversy has focused attention on the government's near-dependency on a single private dump, and how it has responded to Envirocare's problems. A federal grand jury in Salt Lake City is investigating the payments to Mr. Anderson.

According to court documents, Mr. Anderson approached Mr. Semnani in 1986 and offered to serve as a private

consultant while still at his state post. In return, Mr. Anderson was to receive a \$100,000 advance payment along with 5 percent of the profits.

The two men are now accusing one another in court. Mr. Semnani, in a response to a suit by Mr. Anderson, acknowledged making the payments of \$600,000 in cash, gold coins and a condominium in a ski resort.

But he characterized the payments as extortion, saying that he feared Mr. Anderson would cause problems for his company or even shut him down.

He did not report the alleged crime to authorities because he feared he would not be believed, a spokesman for Mr. Semnani said.

Eventually, the Department of Energy, which supplies most of the waste, cut a deal with Envirocare that forced Mr. Semnani to step down temporarily as president but guaranteed that the company could continue to receive waste and bid on new contracts.

Department managers strongly defend their response. Freezing the shipments based on mere allegations, they say, would surely have exposed the government to litigation and long delays in the cleanup of scores of hazardous waste sites around the country.

But a federal judge, ruling in a related Texas case, said the policies that allowed Envirocare to retain its

virtual monopoly suggest that "something is amiss" at the department. "It may be a case of incompetence, or it may be something far worse," said Judge Joe Kendall of U.S. District Court.

Meanwhile, the loss of Envirocare's services — the thing government officials sought most to avoid — may already be occurring. An injunction issued by Judge Kendall has temporarily frozen the awarding of new department contracts to Envirocare, stalling the cleanup of 1 million tons of contaminated waste at a federal plutonium production facility in Fernald, Ohio.

Federal officials are bracing for the possibility that the dump might be sold or closed, an act that could force government agencies handling the cleanup to scramble to find places to put the 2 million cubic yards of waste projected to go to Utah over the next few years.

As the successor to the government's Cold War-era Atomic Energy Commission, the Department of Energy has inherited the task of cleaning up the radioactive refuse from uranium mines, munitions facilities and other sites around the country.

The most dangerous, highly radioactive materials will end up in better-sited repositories built to last thousands of years. But in sheer volume, the bulk of the waste is made up of construction material, mineral ores and contaminated soil — wastes that are only mildly radioactive but still too "hot" for burial in ordinary dumps.

Payments that went to a Utah regulator raise questions of propriety.

Ruling Is Setback for Tobacco Firms

WASHINGTON — The Supreme Court cleared the way Monday for the forced release by the tobacco industry of 39,000 secret documents in a Minnesota trial.

The court rejected an emergency request in which the cigarette makers claimed that most of the documents are privileged information that should stay secret.

A Minnesota trial judge had ordered the release.

The order means the documents — totaling some 200,000 pages — must be surrendered to lawyers for Minnesota, and Blue Cross and Blue Shield of Minnesota. The state and the insurance company are suing cigarette makers to recover \$1.77 billion that they say was spent to treat smoking-related illnesses. They also are seeking punitive damages.

The order does not make the 39,000 documents public.

Tobacco industry lawyers had argued that release of the documents would unfairly harm their clients in the Minnesota case and also in "hundreds of other pending cases."

Defense attorneys said they were disappointed with the high court's one-sentence rejection of their request for an emergency stay, saying that it set a bad precedent.

The court also acted Monday on these other issues:

• It agreed to speed its study of the attempt by the White House prosecutor, Kenneth Starr, to get notes taken by the lawyer for the White House aide Vincent Foster during a meeting shortly before Mr. Foster's suicide in 1993.

The justices granted Mr. Starr's request for expedited consideration

and put the case on a track expected to yield a decision by late June or early July. The case will be argued June 8.

• It refused to revive an antitrust lawsuit against Domino's Pizza Inc. by 11 franchise holders who accused it of monopolizing the market for pizza ingredients.

• It let stand a ruling that said the former Panamanian ruler Manuel Antonio Noriega had received a fair trial when he was tried and convicted for drug trafficking.

• It turned away a legal battle between mail-order "wine clubs" and states over regulating the sale of alcoholic beverages. The court, without comment, let stand rulings that rejected Florida's effort to sue in federal court to stop what state officials call "illegal interstate bootlegging."

Clinton Seeks New Review Of Evidence In King Case

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton has asked the Justice Department to consider a request from the family of the Reverend Martin Luther King Jr. to open a new investigation of the civil rights leader's assassination 30 years ago.

Rahn Emanuel, a senior adviser to the president, said that Mr. Clinton would convey that news to Coretta Scott King, who last week made a public request to the president to appoint a commission to examine what she said was "new evidence" regarding her husband's killing.

Mr. Emanuel said Attorney General Janet Reno would decide how to proceed after examining developments.

A congressional committee and several law enforcement agencies have concluded that Mr. King was killed on April 4, 1968, by James Earl Ray, a lifelong criminal, acting alone.

Mr. Ray confessed to the crime but almost immediately recanted.

The Reverend Jesse Jackson has also called on the Justice Department to investigate whether the government played a role in Mr. King's death.

"Our government was actively involved in destroying Martin Luther King Jr.," Mr. Jackson said. "Now, did they do it directly or were they a part of hiring someone, we don't know."

Mr. Jackson, whose comments Sunday came a day after the 30th anniversary of King's death, said he believed that Mr. Ray was not solely responsible.

"Ray neither had the motive, the money, nor the mobility to have done it by himself," Mr. Jackson said in a televised interview. "The haunting question is how deeply did the assassination go into our government?" (WP/AP)

U.S. Permanently Bans Imports Of 58 Types of Assault Weapons

By John M. Broder
New York Times Service

WASHINGTON — President Bill Clinton announced on Monday a permanent ban on imports of 58 types of military-style assault weapons, blocking the entry of more than a million high-powered guns into the United States.

The action followed a 120-day review of import permit applications for foreign-made guns to determine whether they meet an exemption to laws allowing weapons that can be used for sport.

The Treasury Department's Bureau of Alcohol, Tobacco and Firearms found that the 58 assault-type guns cannot be classified as sporting weapons and therefore are banned under a 1968 gun-control law.

Addressing his remarks to gun makers, the president said, "You can read the fine print in our law and our regulations all you want, and you can keep making minor changes, but we're going to do our best to keep our people alive and stop you from making a dollar in the wrong way."

Although the review has been under way for months, aides said Mr. Clinton wanted to dramatize the government's action after the schoolyard killings in Jonesboro, Arkansas, last month while he was on his six-nation tour of Africa.

Aides said that Mr. Clinton was

angered and heartsick at the deaths by gunfire of four children and a teacher in his home state and wanted to make a meaningful public statement on gun violence soon after his return from Africa.

The National Rifle Association and a trade group representing weapons importers assailed the presidential decision as a further encroachment on the rights of gun owners. They promised to seek relief in Congress and in the courts. Anti-gun groups said the decree would not go far enough.

"We're not happy," said Tanya Metaksa, chief lobbyist for the rifle association.

"He's done exactly what he said he would do — bend the law as far as he could to ban as many guns as he could. These guns were modified to meet the criteria of his own gun ban and now he says the criteria are not good enough and he is modifying them."

Ms. Metaksa said that thousands of weapons had already been imported and paid for and had been stored in U.S. Customs warehouses awaiting the Treasury Department's ruling on their legality.

"Hundreds of importers will be completely out of pocket," Ms. Metaksa said. "You can't return a firearm the way you can return a shirt to Macy's."

Bankgesellschaft Berlin: 1997 Annual Results

Objective for 1998: Formation of a major financial group in Berlin and North Germany

Reduction in the risk exposure of our loan portfolio

By making strategic decisions on our future orientation in new business and taking organizational and technical precautions, we have improved the risk structure of our Group and made it more transparent for control purposes. Nevertheless, in 1997 we again had to make larger provisions for bad and doubtful debt than originally planned. Since the overall lending climate remains difficult, we gave preference in this context to the formation of taxed hidden reserves for general banking risks rather than making allocations to disclosed reserves. This enabled us to replenish our capital assets, which had been drawn down in the previous year because of the need for higher risk provisions. For the 1997 financial year, we can report a Group operating profit after risk provisions of DM670 million; this is up 88.7% compared to the previous year.

Unchanged dividend

We will propose payment of an unchanged dividend of DM1.10 per share to the Shareholders' Meeting on 5 June 1998.

Expansion of the Group

In addition to continuing efforts to improve profitability, 1998 will be characterized by the forthcoming entry of NORD/LB into the Bankgesellschaft Berlin Group. The preparations for the formation of a joint major financial group in Berlin and North Germany have made sufficient progress to enable this project to be implemented in the course of the 1998 financial year. This will give Bankgesellschaft Berlin the structure and strength it needs to succeed in the competitive environment of the German and European banking market.

We would be pleased to send you our 1997 Annual Report on request.

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http://www.bankgesellschaft.de
E-mail: IR@bankgesellschaft.de

| Extract from our Group Annual Accounts (in DM m) | | | |
|--|---------|---------|--------|
| | 1997 | 1996 | Change |
| Total assets | 354,862 | 325,837 | 8.9% |
| Customer loans | 192,256 | 176,800 | 8.7% |
| Customer deposits and securitized liabilities | 218,812 | 208,252 | 5.1% |
| Net interest income | 3,691 | 3,697 | -0.2% |
| Net commission income | 826 | 685 | 20.6% |
| Risk provisions | 1,036 | 1,420 | -27.0% |
| Operating profit | 670 | 355 | 88.7% |


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Away From Politics

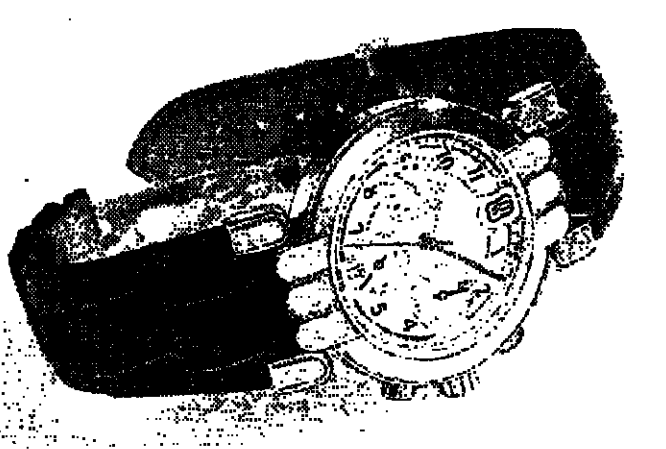
• A redesigned \$20 bill, intended to be harder to counterfeit, will be made public on May 20 and put into circulation next fall, the U.S. Treasury Department announced. A redesigned \$100 bill was issued in March 1996, and a new \$50 bill in October. (Reuters)

• Tens of thousands of birds migrating through Nebraska have been killed by an illness that has spread quickly because icy ponds and lakes forced geese and ducks to crowd into just a few unfrozen wetlands. As of the middle of last week, the Fish and Wildlife Service said, workers had picked up 22,000 dead birds, most of which were killed by a disease called avian cholera. (AP)

• Unionized parking garage attendants have ratified a salary agreement with one of the District of Columbia's largest parking garage companies, averting a possible walkout that would have been a nightmare for Washington-area commuters. (AP)



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EUROPE

Citizen Peacemakers in Cyprus Persist in Trying to Bridge a 24-Year Chasm

By Richard Boudreaux
Los Angeles Times Service

NICOSIA, Cyprus — Chris Sofroniou joined an encounter group for young Greek and Turkish Cypriots last year with a lofty goal: to help reunite this most rigidly partitioned of states. He had a personal mission as well. Seeing a chance to reclaim the home he had fled as a child in wartime, the 27-year-old Greek Cypriot student persuaded a Turkish Cypriot in the group to help him sneak into the Turkish-held town of Morphou.

Then he found the place where his Greek Orthodox parents had worshipped; it's a museum now. He made a video recording and brought it home.

"It was like a dream," he told a meeting of the U.S.-sponsored group. "I felt the Greekness of the place. It made me angry but determined to fight, in a peaceful way, to get justice done and help our people return to their homes."

Twenty-four years after war split their Mediterranean island into two "ethnically cleansed" camps, ordinary Cypriots are talking through the barbed wire. But so far, the exchange shows how stubborn and deeply rooted the conflict remains.

Even young Cypriots who rebel

against the barrier tend to echo the irreconcilable views of the generation that built it: Greek-speaking Christians governing 600,000 people in the south want a reintegrated society; Turkish-speaking Muslim leaders claim a separate ministate for 200,000 inhabitants in the north.

Outside mediators are stepping up efforts to revive peace talks between Greek and Turkish Cypriot leaders. The United Nations secretary-general, Kofi Annan, failed in one attempt last month, and the U.S. envoy Richard Holbrooke shuttled between the two sides over the weekend with no success.

But while the high-level talks have gone nowhere since last summer, the debates among ordinary citizens are in-

tense, provocative and straight to the point.

"Our mentality is close to the European mentality," Mr. Sofroniou told the student group. "Look how the French and the Germans slaughtered each other in World War II. They are reconciled and can live in each other's countries. So can we."

Erdem Erginel, a 25-year-old Turkish Cypriot, disagreed.

"Conflict resolution," he said, "may work in Europe, where reconciliation is a valid concept, but not here. The political culture and mentality in this part of the world is not suitable for minorities. Without our own state, the Greeks will crush us."

As the stalemate endures, the Greek

Cypriot government is threatening to install Russian-made ground-to-air missiles to neutralize the Turkish Air Force. Turkey, which has 35,000 troops defending the Turkish Cypriot side, says it would knock out the missiles with pre-emptive airstrikes.

In this climate, the citizen peacemakers meet lukewarm tolerance from Greek Cypriot officials and suspicion and hostility from the Turkish Cypriot side. In December, as they have a dozen times before, Turkish Cypriot leaders suspended all permits for contact between the two sides. Previous shutdowns have lasted up to four months.

Still, the movement is a persistent force, if only because the idea of a physical barrier dividing any place, es-

pecially such a tiny one, strikes many Cypriots — at a time when there is no more Berlin Wall, no more Green Line in Beirut — as an anachronism.

To reach their neutral meeting point in the Ledra Palace Hotel, Cypriots must pass Nicosia's main checkpoint into the buffer zone — a jagged alley of vacant, booby-trapped shops, rusting barbed wire and oil drum barricades — and revisit the raw emotions of the 1974 war.

At the checkpoint's north gate, guarded by Turkish Cypriot police, is an exhibit of black-and-white photographs showing atrocities committed by Greek Cypriot militias on ethnic Turks between 1963 and 1974.

At the south gate, 500 meters away, is a travel advisory in Greek: "Beyond this checkpoint is an area of Cyprus still occupied by Turkish troops since their invasion in 1974. The invaders expelled 180,000 Cypriots of Greek origin. 'Enjoy what is left of our looted heritage and homes.'"

The United Nations-mediated peace talks since the war, which also forced 45,000 ethnic Turks to move north of the divide and left about 6,700 people dead or missing on both sides, have repeatedly stumbled over one overriding question: whether Greeks and Turks can mix better than oil and water.

Turkish Cypriot leaders, backed by Turkey's troops, insist on a "confederation" of two sovereign states — confirmation of the de facto Turkish Republic of Northern Cyprus that only Turkey recognizes. Anything less, they contend, will overwhelm their minority population.

The Greek-ruled Republic of Cyprus, with an economic advantage and the rest of the world's recognition, demands a jointly ruled "bicomunal federation." It feels no pressure to sign away the 37 percent of the island the Turks gained by force.

The 23 university students who gathered at the Ledra Palace one Sunday evening in December grew up in these postwar ethnic ghettos but want to break out. Their conflict-resolution group has met almost monthly for a year.

To come to the once-stately hotel, now a dormitory for UN peacekeeping troops in the buffer zone, Turkish Cypriots must get permission from their reluctant leaders and Greek Cypriots must dodge hecklers on their side. The hecklers, who stand outside the checkpoint, also vandalize the students' cars. "You are the hope of this country," Philip Snyder told the students after they had greeted each other with hugs and sat in a circle. Mr. Snyder, an American who moderates the meetings for the U.S.-financed Cyprus Fulbright Commission, added, "In 20, 30 years from now, you'll be in charge."

Court Tells Yeltsin to Sign Law to Keep Looted Art

MOSCOW — President Boris Yeltsin must sign a law that will keep World War II "trophy art" in Russia, a court ruled Monday, delivering a setback to the president and his efforts to negotiate a settlement with Germany.

The trophy art, which the victorious Soviet Army looted from Nazi Germany at the end of World War II, is a source of friction in otherwise good relations between Russia and Germany.

Both houses of Russia's Parliament overrode a Yeltsin veto last year and approved a bill designed to keep the art treasures in Russia.

Mr. Yeltsin, who wants the freedom to work out a deal with Chancellor Helmut Kohl of Germany, has refused to sign the bill.

The president claimed Parliament violated its voting procedures by allowing some members to cast ballots for absent colleagues.

But the Constitutional Court ruled in favor of Parliament, saying that Mr. Yeltsin was required to sign the bill into law despite his objections. The court said the president had "evaded" his constitutional responsibilities by not signing.

Still, the issue could drag on for some time.

The president's representative to the Constitutional Court, Sergei Shakhrai, said Monday that Mr. Yeltsin planned to challenge the measure on the grounds that it violates international law and the Russian Constitution, the Itar-Tass press agency reported.

"If the law sets norms that violate our

international obligations, then our international obligations must take precedence," Mr. Shakhrai said in televised comments.

Mr. Yeltsin has argued that the bill does not differentiate between German artworks and art that the Nazis had seized from other countries and individuals in Europe.

Members of Parliament say the law does not rule out cooperation with third countries or individuals, but deputies are adamantly opposed to returning art to Germany.

The Soviet Army carried off enormous quantities of art from Germany. Some masterpieces have been exhibited in recent years in museums such as the Hermitage in St. Petersburg, but much of it has been locked away in the basements of Russian museums, often in poor conditions.

Under the new law, the return of every item of war booty would be subject to individual parliamentary approval, all but blocking any effective hand-over.

To the dismay of Germany and other nations whose art was taken by the Soviet Army, the bill introduces highly complicated procedures for the return of trophy art, requiring a formal request by a foreign government and approval by the Russian Parliament.

As a result, it is extremely unlikely any art would be returned. Parliament's mood reflects the feelings of many Russians who see the art as compensation for the huge losses inflicted by Nazi Germany during the war.

(AP, Reuters)



A museum worker at a display of "trophy art" at an exhibition at the Pushkin Museum in Moscow.

Paris Police Hold 8 Protesting Visit by Zhu

Reuters

PARIS — The police detained eight members of a press-freedom group Monday when they distributed leaflets outside a hotel where Prime Minister Zhu Rongji of China was meeting with French business leaders, the group said.

"Eight members of Reporters Without Borders were taken away by riot police as they distributed leaflets calling on China to allow Gao Yu, an

imprisoned Chinese woman journalist, to be allowed to go to hospital," a spokesman for the group said.

He said no violence had been used against the journalists, who included the secretary-general of the group, Robert Menard. Representatives of the police headquarters said they were checking the report.

The demonstration was held to back a campaign in support of the jour-

nalists. The group said Miss Gao was a correspondent in China for the Hong Kong Mirror Monthly and the Chinese Overseas Daily and was serving a six-year prison term on charges of divulging state secrets.

Mr. Zhu is on a visit that French officials say was designed to build a "global partnership" between the two countries, which have become reconciled after a quarrel in the early 1990s over French weapon sales to Taiwan.

Danish Court Upholds Pact With the EU

The Associated Press

COPENHAGEN — The Supreme Court ruled Monday that the Maastricht treaty for a tighter European Union did not violate the Danish constitution.

A group of 10 citizens sued Prime Minister Poul Nyrup Rasmussen for signing the Treaty on European Union, which was approved by both the Danish Parliament and voters in a 1993 referendum.

The plaintiffs called the Maastricht agreement unconstitutional, saying that it surrendered a greater amount of national sovereignty to the EU than is permitted by the constitution.

The court president, Mogens Hornslet, told a packed courtroom that the 11-judge Supreme Court unanimously confirmed a lower-court ruling that the treaty was constitutional.

The ruling means that Denmark can go ahead with a referendum May 28 on the Amsterdam treaty of last year, which takes EU measures even further than the Maastricht agreement.

"The ruling is just," one plaintiff, Nicholas Fischer, said on television. "Of course it would have been better if the court had upheld our contention."

Another opponent, Hanne Norup Carlsen, said that she, too, was satisfied because the verdict brought "a much-needed clarification."

Television stations, which normally are banned from broadcasting from courtrooms, won permission to transmit live from the Supreme Court because of the importance of the case.

Signed in the Dutch town of Maastricht, the Treaty on European Union envisions such measures as a single currency and a central bank for the bloc.

Danes, who are known as lukewarm supporters of European unity, rejected the Maastricht treaty in 1992. The next year, voters in a second referendum approved a new text with four exemption clauses for Denmark.

The exemptions allow the Danes to remain outside a single currency and banking system and to refrain from joining a European defense structure and law enforcement network. EU citizenship laws also are not applicable.

Far Right Disrupts French Politics Again

TOULOUSE — The far-right National Front sent a fresh jolt through France's battered political scene on Monday, electing a conservative as chairman of the Midi-Pyrenees region for the second time against his will.

Marc Censi, who last month resigned immediately after being elected regional chairman because he had won with the help of National Front votes, was again chosen to head the region's elected council and was considering whether to resign again, colleagues said.

The election was the latest sign of the Front's new-found power to shake up mainstream politics since winning 15.3 percent of the vote in March 15 regional elections.

After those elections, five members of the center-right Union for French Democracy shattered a taboo against deal-making with the Front and accepted Front votes to win chairmanships of newly elected regional councils.

Two of the five later stepped down under pressure but three refused and have been expelled from the party, triggering a crisis on the right and prompting calls for a major reform of the French political system. (Reuters)

Kohl Party Defends Energy Tax Proposal

BONN — Chancellor Helmut Kohl's party defended an election-year energy tax proposal Monday against critics inside his ruling coalition.

Peter Hintze, general secretary of Mr. Kohl's Christian Democratic Union, said it was "extremely surprising" that its two coalition partners were railing against a proposed Europe-wide tax on energy use because they had endorsed it as recently as November.

The energy tax was included in the Christian Democrats' draft platform last week in an apparent attempt to attract voters put off by the opposition

Polish Chief Denies Spying on NATO

WARSAW — Prime Minister Jerzy Buzek denied allegations in Germany on Monday that Poland, invited to join NATO next year, was spying on her future allies in the Western alliance.

Mr. Buzek heads Poland's Solidarity-led coalition. Der Spiegel magazine reported Saturday that intelligence agents from Poland, Hungary and the Czech Republic remained in close contact with Russian spy operatives and that the three former Warsaw Pact countries had tried to place agents within the NATO headquarters in Brussels.

Hungary and the Czech Republic have also been offered NATO membership next year.

"Such information is usually a warning," Mr. Buzek said. "Nothing specific takes place, but there is suspicion that it could take place and such information is released in advance to prevent certain actions." (AP)

France and Britain Sign Test-Ban Pact

PARIS — France and Britain on Monday became the first of the five nuclear powers to ratify the Comprehensive Test Ban Treaty that was signed in September, the Foreign Ministry said.

The treaty has been signed by 45 countries and ratified by 13, including France and Britain. (AFP)

DEXIA GROUP COMBINED RESULTS

| FRF millions | 1996 | 1997 | Variation % |
|------------------------------------|--------|--------|-------------|
| Net banking income | 14,035 | 15,545 | 3.6 |
| Operating expenses | 85,031 | 88,192 | 4.9 |
| Operating income before allowances | 7,966 | 6,120 | 1.9 |
| Operating income | 48,270 | 48,738 | 3.2 |
| Allowances and provisions | 6,069 | 6,425 | 5.9 |
| Income before tax | 36,761 | 39,394 | 7.2 |
| Income tax | 1,069 | 3,166 | ns |
| Net income | 6,475 | 19,412 | ns |
| Operating income | 291 | 2,688 | ns |
| Net income | 1,761 | 16,882 | ns |
| Income before tax | 91 | 2,350 | ns |
| Income tax | 556 | 14,413 | ns |
| Net income | 3,201 | 5,827 | 8.8 |
| Operating income | 32,439 | 35,737 | 10.1 |
| Income before tax | 1,860 | 2,023 | 8.8 |
| Income tax | 11,270 | 12,408 | 10.1 |
| Net income | 3,201 | 3,570 | 11.5 |
| Operating income | 19,398 | 21,892 | 12.9 |

Growth in net income to FRF 3.57 billion (+11.5%)/ BEF 21.9 billion (+12.9%), plus capital gains of FRF 2.35 billion/BEF 14.4 billion

• Three-quarters of net banking income is from interest income. This represents a 4% increase for Crédit local de France, with growth in outstanding loans and sustained average loan margins, but a 1.8% in BEF drop for Crédit Communal de Belgique, hit by the early redemptions made by Belgian local governments using the proceeds from the sale of Dexia Belgium shares, as well as by adjustments made during the year. Other income showed significant improvement (+19%), consisting mainly of commissions as a result of growth in investments, brokerage and financial services.

• Operating expenses were kept well under control (+1.9%) in spite of the costs necessary for group development.

• Allowances and provisions included an exceptionally large provision to the general banking risks reserve, in contrast to the capital gains of FRF 2.3 billion/BEF 14.4 billion made on disposal of the equity interest held in Banque Bruxelles Lambert. Risk development was very favourable in all the group's entities, resulting in a drop in the provisions for bad debts.

With regard to the risk in Asia, Dexia's overall exposure to risk on companies, banks and private individuals was low, amounting to FRF 2,480 million/BEF 15.3 billion or approximately 6% of Tier 1 capital. Total provisions for exposure in this area were commitments at risk FRF 250 million/ BEF 1,541 million or 10% of outstanding.

• Non-recurring income of FRF 2,350 million/BEF 14,413 million consisted entirely of capital gains realized on the sale of the equity interest held in Banque Bruxelles Lambert.

• The group's net income again reported double-digit growth to FRF 3,570 million/BEF 21,892 million in line with the past performance of the group and its operating companies, Crédit local de France and Crédit Communal de Belgique, which have always recorded regular income growth.

| NET INCOME GROUP SHARE | | |
|------------------------|------------------|------------------|
| | 1995 | 1996 |
| FRF 2.9 billion | FRF 3.2 billion | FRF 3.5 billion |
| BEF 17.1 billion | BEF 21.4 billion | BEF 24.5 billion |
| +10.4% | +11.5% | +14.5% |
| +13.1% | | |

Dexia France's net income per share amounted to FRF 48.9 (+12.9%)
Dexia Belgium's net income per share amounted to BEF 294.2 (+11.5%)

At the Shareholders' Meeting of Dexia France on May 19, 1998, shareholders will be asked to approve a dividend per share of FRF 17.30 (+10.2%).
At the Shareholders' Meeting of Dexia Belgium on May 13, 1998, shareholders will be asked to approve a dividend per share of BEF 130.0 (+11.0%).

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KEY FIGURES

- Total assets: FRF 1,221 billion (1996), FRF 1,221 billion (1997), +8.9% (1996), +9.9% (1997)
- Tier 1 capital: FRF 35.0 billion (1996), FRF 39.7 billion (1997), +13.5% (1996), +14.5% (1997)
- ROE (return on equity): 18.0%
- Operating ratio: 55.8%
- Solvency ratio: +Tier 1 10.0%, +Tier 1 + Tier 2 14.1%

INTERNATIONAL

Israeli Arabs Revolt Over Land Use

They Declare a General Strike After Violent Clashes in Galilee

By Doug Struck
Washington Post Service

JERUSALEM — A general strike called Monday by Israeli Arabs following violent weekend clashes with police has surprised Israeli officials and revealed deep frustrations among the nation's 1 million Arabs.

The strike, called after the police repeatedly demolished three Arab homes built without permits in an "unrecognized" village in the northern Galilee region, once again demonstrated the di-

lemma of Israel's Arab citizens, who feel rejected by both Jews and Palestinians and who feel that their loyalty to the government is answered by discrimination.

"They want us to be citizens, but without any territory or rights," said Khalid Khalifa, who joined a protest march in Galilee on Monday. "They look at us as a threat."

Israeli officials generally expect little dissension from the Arab population, whose families were caught within the sudden expansion of the new Israeli

state in 1948 and accepted citizenship. But a confrontation with the police near the Galilee village of Um al Sahal on Saturday brought scenes of violence and anger to Israeli television that viewers are more accustomed to seeing in the West Bank.

Israeli Arab leaders describe the actions of the authorities as a police riot, a "brutal assault." The police beat protesters with batons and fired tear gas and rubber-coated metal bullets. The protesters threw rocks, set fires and chanted praise for Saddam Hussein, the Iraqi leader — more to mock the police than to make a real political declaration.

"The violence was actually started by the Arab residents themselves," said a police spokeswoman, Linda Menachen. "All the turmoil was the result of political motives."

But Israeli Arab leaders describe it as more of a spontaneous outrage at what they saw as rank discrimination in the demolition of the houses. The houses, on land owned by a Bedouin community, are near a Jewish settlement that has grown with new modern homes, roads, lights and utilities.

But the Israeli authorities prevent the Arabs from building in more than 40 "unrecognized villages," many of which have existed for generations. "They look at Arabs in the Galilee as a demographic threat," said Mr. Khalifa, who runs the Arab Center for Information and Documentation. "So they want to expand the Jewish settlements while they refuse to let us expand."

A similar confrontation over land in the Galilee in 1976 resulted in five Arab youths being shot and killed by Israeli soldiers, an incident observed each year by the Israeli Arab community with Land Day protests.

The treatment of the Arab communities has long been an embarrassment for Israel. A succession of reports has documented that the Israeli Arab towns are greatly neglected in the government budgets. Many of the Israeli Arab towns still have few public utilities and dirt roads, a rarity among Jewish communities. Israeli Arab communities have high poverty, high unemployment, low health care and poor education.

Israeli Arab leaders say the previous Labor government began to take steps to reduce the imbalance, but they complain that the rightist Likud government has little interest in promoting the welfare of non-Jewish citizens.

Majid Haj, a professor of sociology at Haifa University, said: "There is an increasing frustration at the day-to-day inequality. The Israeli Arabs feel we are not only not progressing, but there is an aggression on the part of this government toward us."



Israeli Arabs marching in Galilee on Monday to protest home demolitions.

HAMAS: Palestinians Accuse Radicals

Continued from Page 1

He said Palestinian investigators had interrogated the owners of the garage where the explosion occurred and had questioned about 30 Hamas members.

Palestinian officials said that several of the five men whom they arrested allegedly helped set up the plot, but that a sixth man, still at large, actually shot Mr. Sharif in a remote area and drove his body to the car, which was then exploded with a timed bomb.

"I can now say Israel was not responsible for this operation," said the Palestinian planning minister, Nabil Shaath, who had been among those who originally accused Israel.

Prime Minister Benjamin Netanyahu of Israel called the arrest "a positive development," and said: "What Israel said about not having been involved in any way in the death of Muhyaddin Sharif is now proved publicly to be absolutely true."

"It shows if the Palestinian Authority wants to, it can fight terror," he added. Mr. Netanyahu received details of the arrests from an aide to Yasser Arafat, head of the Palestinian Authority.

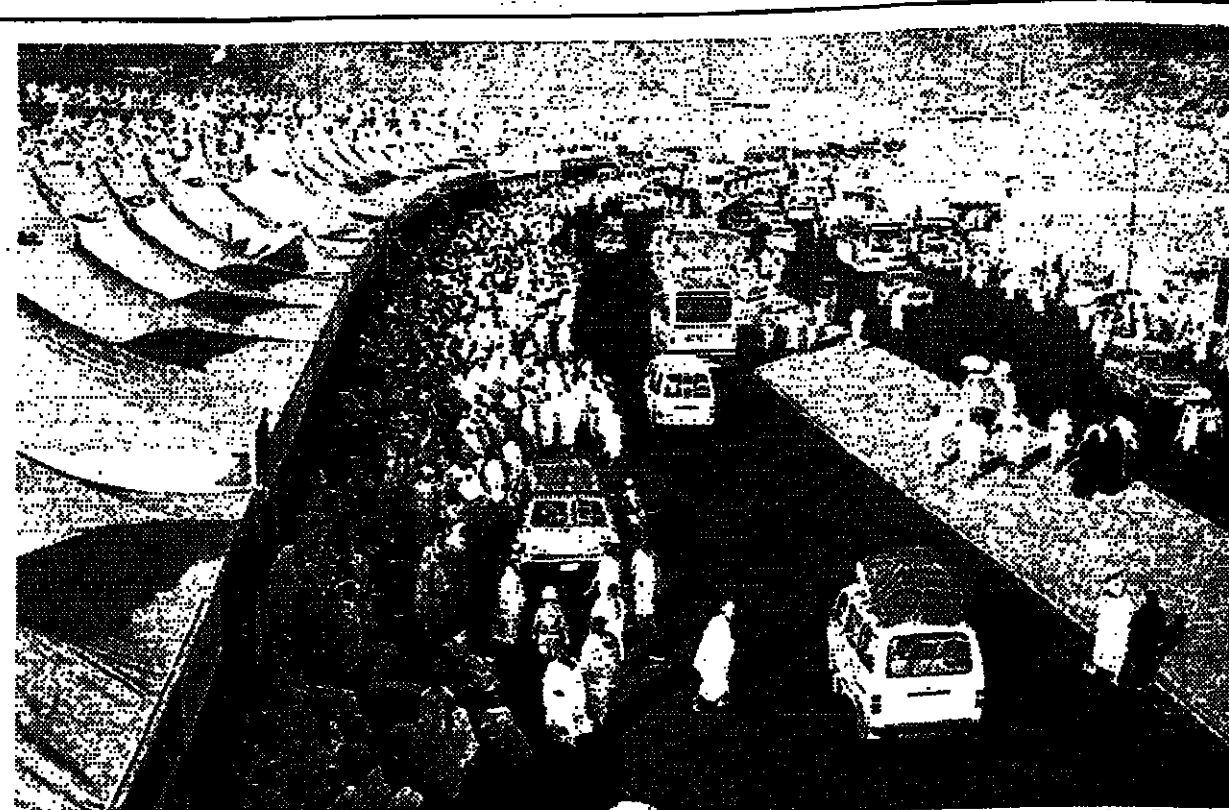
It was unclear whether the statement by the Palestinian Authority would prevent action by other Hamas activists, or convince the Palestinian public, already angered by what it sees as Israel's refusal to carry out the peace accords first signed in 1993.

A Hamas spokesman, Mahmud Zahar, said, "We reject the report of the Palestinian security."

Several members of Mr. Sharif's family were summoned to Mr. Arafat's office to hear the news, but later said they did not believe the explanation.

The arrests risk exacerbating tensions between Mr. Arafat's authority and Hamas.

Mr. Arafat has been anxious to avoid internal fighting as he tries to put together a Palestinian state.



HAJI CLIMAX — Muslim pilgrims outside their tents near the holy city of Mecca. On Thursday, some 2 million Muslims converged on nearby Mount Arafat where the Prophet Mohammed gave his last sermon.

DEAL: Citicorp and Travelers to Merge in Record Transaction

Continued from Page 1

largely wholesale and a largely retail operation with numerous cross-selling opportunities."

Sanford Weill, the Travelers chairman, said he expected the Fed to quickly approve his company's application to become a bank holding company and added: "I don't think we have to spin anything off to make this happen."

Current law, he said, allows at least two and as many as five years for prohibited assets to be divested. "We are hopeful that over that time the legislation will change," he added.

He said the companies had already had talks with the Fed about specific legal impediments and said, "We have had enough discussions to believe this will not be a problem."

As well as having had discussions with the Fed and the Treasury, Mr. Reed said President Bill Clinton was briefed on the announcement Sunday night.

The deal, Mr. Reed said, was not expected to require approval outside the United States because Citicorp's Citibank subsidiary was the entity that was registered as a bank elsewhere, and the change would be at the holding-company level.

Another big question is whether the combined company can live with two bosses. Mr. Weill and Mr. Reed are to become co-chairmen and co-chief executives of Citicorp. Although Mr. Reed said they had known each other for more than 30 years, they have run their operations in very different ways.

While Citicorp has avoided acquisitions, Mr. Weill has cobbled together Travelers from a diverse group of financial concerns, the second time he has forged such an empire. During the 1960s and 1970s, he assembled a network of brokerage houses that became Shearson



John Reed, left, Citicorp chief, and Sanford Weill, chairman of Travelers in New York on Monday before the merger was announced.

Loeb Rhoades, which he sold to American Express Co. in 1981. But he was unable to work with James Robinson 3d, the American Express chairman, and he left in 1985.

The next year, he began afresh, taking over Commercial Credit Co., a troubled lending subsidiary of Control Data Systems Inc., which sold most of the unit to the public that year. The following year, Mr. Weill took Commercial Credit private. In 1988, he bought Primerica, which grew out of the financial operations of American Can. Primerica already owned Smith Barney.

In 1989, Mr. Weill bought retail brokerage operations that had belonged to Drexel Burnham Lambert Inc., which was forced to close because of its problems in the junk-bond market. In 1992, he began to buy Travelers, which had been plagued by bad real-estate investments, and in 1993, he bought Shearson

from American Express for \$1.2 billion. Last year, he bought Salomon Brothers, the bond-trading powerhouse that had run into trouble with the government by trying to corner the market at Treasury-bond auctions.

According to Mr. Reed, it was Mr. Weill who had the idea of uniting Citicorp with Travelers, broaching the idea late in February. Mr. Reed said he found the idea instantly appealing because it allowed the two organizations to merge their distribution channels, providing "one-stop shopping" for consumers.

Mr. Reed said an emerging worldwide middle class would not "want to shop from place to place" for financial products. "Nobody wants a mortgage," he said, "they want to buy a house." Similarly, he said, savers do not want to own mutual funds but want to prepare for retirement as part of an overall plan.

KOSOVO: Ethnic Albanian Guerrilla Groups Gathering Strength

Continued from Page 1

foreign mercenaries, whose heavily accented Albanian, as well as their appearance and martial demeanor, suggests experience in other war zones.

Many ethnic Albanians roaming the hills said they quit their menial jobs in Germany or Switzerland when the Serbian counterinsurgency sweeps that left at least 80 people dead began last month. They traveled to Albania, where they hastily collected uniforms and weapons, and crossed the rugged frontier with pack mules bringing in fresh arms and ammunition.

Rebel leaders, they contend, have been busy signing up recruits and collecting contributions worth hundreds of thousands of dollars from the more than 600,000 ethnic Albanian refugees and seasonal workers in Europe to prosecute the war.

"I came back as soon as I saw the pictures of the massacres, the destroyed houses and the bodies of the women and children," said a rebel wearing a black ski mask. "I left everything in Germany when I understood what the Serbs were doing to my people. It was my duty. We will fight until the last of us is dead. We have little interest in speaking. We are fighters."

In the indiscriminate killings by hundreds of heavily armed Serbian police and paramilitary units last month, more than half of the victims were women and children. The death of so many non-combatants has enraged a population fed up with heavy-handed police rule and life as second-class citizens in the Serbian state.

"We laid flowers today on the desks on nine of our pupils who were murdered by the Serbs," a 49-year-old teacher at the Petro Marko elementary school in Srbica said as he wiped away his tears.

"None of us could teach and none of the students could study. We are overcome by grief for our little ones and hatred for our enemy."

The Serbs, rather than hunt down armed groups, blasted villages into rubble with 20-millimeter cannon, grenade launchers and 50-caliber machine guns. Those trapped in the houses died, and many of those who fled were gunned down, according to witnesses. Many bodies, laid out at mass funerals, bore signs of mutilation and summary execution.

Serbian officials have tried to blame the rebel fighters for the carnage, saying the guerrillas executed those who tried to run away.

The police remain in heavily fortified enclaves in the province, despite calls from abroad that they be withdrawn. In many villages, like Jablanica,



Members of the Serbian government attending deliberations Monday on whether there should be foreign mediation in the Kosovo crisis.

women and children have been sent away to live with relatives in anticipation of the looming combat.

"You have to wonder if the Serbs had any idea what they were doing when they shot their way in here last month," said a Western diplomat who is in Pristina, Kosovo's capital, monitoring the conflict. "They will have to keep hundreds of police deployed for the next 30 years or accept that parts of this province will be ceded to the rebels."

The ethnic Albanians, who make up 90 percent of Kosovo's 2 million people, had their autonomy stripped by Belgrade in 1989 when they began to call for an independent state. A shadow government led by Ibrahim Rugova has mounted a disciplined program of civic resistance that has seen the ethnic Albanians boycott all state institutions, set up their own schools and administration, and collect taxes.

The failure after eight years to achieve independence, coupled with the police sweeps, appears to have doomed the peaceful resistance.

Many of the funds collected for the administration among ethnic Albanians abroad are being diverted to the coffers of the rebel movement, according to officials close to Mr. Rugova.

The sound of automatic-weapons fire, along with the whoosh and detonation of

mortar rounds, punctuates most days and nights in the rolling, dun-colored hillsides.

A group of four guerrillas, drawing on cigarettes within sight of a hilltop position manned by the Serbian police, listened nonchalantly on their walkie-talkies to the chatter on the police radios. The rebel patrol, which refused to permit a photographer to take pictures, was curt and abrupt.

"We know how many police are in each position, when the shifts change, when the convoys with the supplies arrive at the checkpoints and what kind of weapons the enemy uses," a rebel soldier said. "We are growing in strength each day."

The rebel movement, sustained by a sympathetic rural population, is equipped with little more than AK-47 assault rifles and rocket-propelled grenades. It has carried out numerous attacks over the last year against the Serbian police, senior Serbian officials and ethnic Albanians accused of collaborating with the Serbian government.

It remains unclear if the rebels are organized under a central command and what, if any, long-term strategy they have embraced. Many vowed this week to protect the villages they control, a tactic, given the superior firepower of the Serbs, that could be costly.

Herald Tribune

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7-4-98

INTERNATIONAL

French Accuse Uganda Over Missiles That Led to Massacres in Rwanda

By Craig R. Whitney
New York Times Service

PARIS — Amid growing controversy about France's role in Rwanda before the mass killings in 1994 that took at least 500,000 lives, a former French government minister said Monday that the missiles that brought down a Rwandan presidential airplane and unleashed the massacres had probably come from American stocks provided to Uganda.

Who shot down the plane on April 6, 1994, has never been established. Ethnic Tutsi rebels operating from Uganda had been fighting a war with forces dominated by Rwanda's Hutu majority since 1990, and extremist Hutu leaders were unhappy with a peace agreement brokered by the French in 1993.

The Hutu extremists used the crash, which killed President Juvenal Habyarimana of Rwanda and President Cyprien Ntaryamira of Burundi and the three-man French crew of their plane, as a pretext for immediately beginning the

systematic massacre of at least half the country's estimated 1 million Tutsi.

Unsubstantiated reports and rumors have blamed both Hutu extremists and Tutsi rebel forces for shooting down the plane and have placed both English-speaking and French-speaking advisers close to the scene, but there has been no public proof of any of the charges.

Bernard Debre, the French minister responsible for dealing with African countries from November 1994 to May 1995, told the French radio station RTL on Monday that the two Soviet-built SAM-16 missiles that hit the presidents' plane had come from stocks seized by the United States from Iraq during the Gulf War in 1991.

He said that France had been able to identify all but one of the serial numbers on the missiles, presumably through military advisers serving with Rwandan government forces.

"With the serial numbers, we can say with near certainty that they were Ugandan missiles, most probably delivered by the Americans," he said. Mr. Debre did not accuse the United States

of providing the missiles to the rebels, but the implication was that U.S. allies in Uganda may have done so.

A senior Ugandan military source denied Monday that Uganda supplied the missiles that shot down the plane, Agence France-Presse reported from Kampala. The source, speaking on condition of anonymity, said Uganda did not have such missiles.

Mr. Debre was reacting defensively, however, after a report last week in a French conservative newspaper, the daily Le Figaro, said that the missiles had been seized in Iraq by French forces, not by Americans, and provided to Rwandan government forces.

Mr. Debre's comments came as a French parliamentary inquiry into the country's role in Rwanda before and after the massacres gathered momentum, with the disclosure that the prime minister during Mr. Debre's tenure, Edouard Balladur, a fellow conservative, would testify.

So far, the investigation, led by Senator Paul Quilès, a Socialist and a former defense minister,

has heard only academic experts, who have painted an unflattering picture showing that French advisers knew what was coming, helped train the Rwandan troops that carried out the massacres and did nothing to try to prevent them.

A parliamentary inquiry might normally be the last place where the truth about a matter like this would emerge.

But Hubert Vedrine, the Socialist foreign minister and the foreign policy adviser to the Socialist president at the time of the massacres, the late Francois Mitterrand, has ordered the Foreign Ministry to turn over to the inquiry all the information it has about France's role in Rwanda from 1990 to 1994, officials said.

The parliamentary mission was prompted by newspaper articles about French involvement in the massacres earlier this year. Both Le Figaro and Le Monde revisited the issue last month after President Bill Clinton, on his tour of Africa, acknowledged that American reluctance to become involved had delayed an international rescue mission that could have saved tens of thou-

sands of Rwandan lives. France, with close ties to the Hutu government, has also been charged with not having acted sooner.

"The French Army has no responsibility," Mr. Balladur said Monday. "France is the only country to have used the word 'genocide,' the only country whose chief of government, myself, went to the United Nations to finally get a humanitarian operation decided on, the only country to have thousands of soldiers intervene and prevent thousands of massacres."

France has long been touchy about what it regards as American poaching on its turf in French-speaking Africa, and Mr. Mitterrand appears to have sent aid to Rwanda in 1990 mainly because he did not want to see the American-supported, English-speaking government in Uganda extend U.S. influence over the region.

In the aftermath of the human disaster there, Mr. Mitterrand's conservative successor, President Jacques Chirac, and the Socialist government of Prime Minister Lionel Jospin have scaled back military activities in Africa.

Success Halts Study of Drug To Prevent Breast Cancer

By David Brown
Washington Post Service

WASHINGTON — A huge federally funded study of a drug to fight breast cancer was halted last week when the benefit of the drug became obvious to scientists and officials overseeing it.

Women at high risk for breast cancer can cut their chances of developing the disease by half, at least over the short term, by taking the drug tamoxifen.

That finding is the main conclusion of the Breast Cancer Prevention Trial. A source familiar with the study results said that women randomly assigned to take tamoxifen had a 45 percent lower risk of developing invasive breast cancer than women taking inactive, or placebo, pills.

The study enrolled about 13,000 women from the United States and Canada, and was scheduled to last at least a year longer. It was the largest clinical experiment ever testing a drug's ability to prevent cancer.

Previous research had shown that taking tamoxifen reduced the chances of a breast cancer recurrence in women who had been successfully treated for the disease. The new study sought to determine whether the drug would benefit a much different group — healthy women at higher-than-normal risk for cancer because of family history, previous breast abnormalities, or age.

The findings suggest the drug may offer a relatively simple prevention strategy for some high-risk women. Other, less certain, strategies include reducing the consumption of fat and alcohol, and increasing exercise.

Tamoxifen, however, is not without its own risks or side effects.

While it reduces a high-risk woman's chances of breast cancer, it also raises about threefold her risk for uterine cancer. It increases, as well, a person's risk of developing blood clots, including dangerous ones that migrate to the lungs. (Two women on tamoxifen in the study died of that complication, which is called pulmonary embolism.) Both uterine cancer and pulmonary embolism, however, are much rarer than breast cancer in high-risk women.

A scientist familiar with the study results warned against any conclusion that tamoxifen was of benefit to all women, or even most women. Physicians, patients and women's health advocates will have to review the study before making clinical recommendations.



SEARCH FOR SEEDS — An emaciated Sudanese woman sifting soil for seeds Monday at a village 800 kilometers southwest of Khartoum. Aid agencies say many Sudanese face starvation because of the civil war.

INDONESIA: Students Are 'On Their Own' in Political Struggle

Continued from Page 1

Emil Salim, the former cabinet minister who had put himself forward as a vice presidential candidate, left on a lengthy trip abroad. Megawati Sukarnoputri, daughter of Indonesia's first president, retreated to her family compound and began preparations for a wedding party this month for her only daughter.

Amien Rais, a fiery Muslim leader, said he was giving Mr. Suharto a six-month breather "to prove he can overcome the present crisis."

"The democratic struggle is like a boxing competition," he said. "Between the rounds, you have to take a break."

Mr. Rais expressed consternation that the calls for change never seemed to catch fire, even as the economic situation deteriorated. "That is what really amazes me," he said. "The people just complain, but they seem very tolerant."

"I'm frustrated to see the reaction of the Indonesian people," Mr. Rais added. One exception to the general retreat has been college students, whose protests have persisted since Mr. Suharto's resignation and in some cases have led to violent clashes with police. In the absence of any credible political opposition or alternatives to Mr. Suharto, the students, by default, have taken the lead in the struggle for change.

Student leaders say they often use the Internet and e-mail to communicate among various campuses, but they say the protests are not coordinated.

Erik Hussein, 21, a law student and member of the student senate at the University of Indonesia in Jakarta, said that the student protests were about structural reform, not specific personalities, and that students were not espousing the cause of any publicly identified political leader.

"What we are talking about is an issue of reform, not an issue of succession," Mr. Hussein said. "A change of leadership will happen — how and when, no one knows. What is important is that structural reform is put in place."

Despite the apparent determination voiced by Mr. Hussein and other student leaders, many analysts question their ability to broaden the movement and link up with other disaffected sectors of society. "What we don't know is how deep the commitment is on the part of the students or the faculty," said an Asian diplomat stationed in Jakarta. "What they need to do is maintain interest for a few months."

He recommended that the students build bridges to nongovernmental groups and larger mass organizations. "They're out there on their own," he said.

For now, though, any talk of an opposition movement gaining enough mass support to topple Mr. Suharto seems speculative at best. Since a largely handicapped assembly of his loyalists named him to another five-year term on March 10, Mr. Suharto is now more firmly in control than at any time since the economic crisis erupted last year. His critics are left to wait for a dramatic turn of events.

"I don't know what will happen,"

said Ali Sadikin, a longtime Suharto critic who is a former three-star general and governor of Jakarta. "I still pray that Suharto will step down."

General Sadikin's experience illustrates the high price of public dissent in Indonesia. In 1980, he was one of 50 high-profile Indonesians, including retired senior military officers, to sign a petition calling for political reform. But like other members of the "Petition of 50 Group," General Sadikin found himself politically circumscribed.

"You couldn't conduct business because you couldn't get credit," General Sadikin said. "You were isolated from the government. Foreign embassies were told not to invite us to functions. We were blacklisted in the press."

Perhaps the experience of that group of dissidents provided a sobering warning to the newer crop of Suharto critics. Those who now challenge Mr. Suharto publicly often are circumspect, always careful to praise the president's contributions even while calling on him to step aside. In fact, these critics do not even call themselves "opposition," since that might put them on the wrong side of the law.

"People are always asking me about 'opposition,'" Mr. Megawati said, correcting a reporter she said had incorrectly referred to her as an "opposition" politician. "If I agree with this, it means I am breaking our constitution," she said, noting that opposition parties are not allowed here. "I belong to that group of people who criticize very strongly."

Editors Debate The Ethnic Mix Of Newsrooms

By Felicity Barringer
New York Times Service

WASHINGTON — A group representing American newspaper editors has proposed scaling back its 20-year-old goals for increasing diversity in newsrooms.

Saying their longtime goal of making newsrooms mirror the country's ethnic mix by the year 2000 is untenable, top officials of the American Society of Newspaper Editors have proposed that a self-imposed deadline be rolled back and the time frame be adjusted to become what one editor called "ambitious but realistic."

The reaction to the proposal, made by the society's board at its annual convention, was intense. Within 48 hours, a group of dissenting editors declared their intention to look for a more ambitious set of goals, while minority journalists' groups expressed dismay, saying that "realism" was another word for "retreat."

About 6,300, or 11.4 percent of the nation's 54,700 newspaper reporters, photographers and editors are black, Asian, Hispanic or American Indian, according to a society survey. That is about triple the percentage of 1978, when the group set its goal.

But gains have leveled off in recent years — with an increase of just one-tenth of 1 percent in the last year — while the country's minority population has grown far beyond the 15 percent the society had projected for 2000. In 1994, nearly 26 percent of the U.S. population were members of minorities.

"There's a widespread sense of diversity fatigue, not only among editors of newspapers," said A. Stephen Montiel, one of the dissenters who is president of the Maynard Institute for Journalism Education. "The Latinos and African-Americans at newspapers whom we talk to are feeling frustrated."

Rick Rodriguez, the managing editor of The Sacramento Bee in California and a member of the society's board, said he "would love to have parity" between newsroom populations and the population at large. "But an unrealistic goal is a disincentive to editors and publishers," he said.

He said he believed that the group's stated goal should be an increase of about seven-tenths of 1 percentage point annually, a number "more in keeping with the numbers of journalists coming out of J schools." That pace would increase minority representation in newsrooms to 20 percent by the year 2010. The board's proposal is set for a vote in the fall.

BRIEFLY

Military Chief Quits In South Africa

PRETORIA — President Nelson Mandela accepted Monday the early retirement request of South Africa's military chief, General Georg Meiring, whose warning of a leftist coup threat was found to be false.

General Meiring said earlier Monday that he had offered to retire because his report, submitted to Mr. Mandela in February, was found to be without foundation by a judicial commission in March.

Deputy Defense Minister Ronnie Kasrils said there would be no further investigation into the report, which he described as "laughable and nonsensical." (Reuters)

35 Villagers Slain, Algeria Reports

PARIS — Algerian security forces said Monday that Islamic rebels cut the throats of 35 villagers overnight, the latest two massacres on the eve of the Muslim Feast of Sacrifice.

A pro-government newspaper, meanwhile, said troops who have killed up to 200 rebels in the past two weeks in western Algeria were rolling over guerrilla holdouts in Sidi Bel Abbes Province.

The security forces said in a statement released by the Algerian news agency APS that rebels slit the throats of 27 villagers in Boukrina hamlet in the western town of Arzew, Algeria's main oil and gas export outlet.

In a similar massacre, eight civilians died the same night in Sidi Hadjeres area in M'Sila Province, 200 kilometers (125 miles) southeast of Algiers, the security forces said in a separate statement. (Reuters)

Hondurans Accuse 'Death Squads'

TEGUCIGALPA, Honduras — Rightist "death squads" have carried out a string of attacks against government officials in the past month, citizens' groups said Sunday.

Four Honduran officials, including a cabinet member, have been attacked by unknown gunmen in the past four weeks in a wave of violence that civilian groups said was reminiscent of the death squads that operated in the 1980s. No one was killed in the attacks. (Reuters)

TV: Pushing Envelope of Propriety in U.S.

Continued from Page 1

of the radio "shock-jocks," announced that he would begin a late-night television version of his show on CBS stations to compete with "Saturday Night Live," starting in August.

"I'd say there's been a quantum leap downward this year in terms of adolescent, vulgar language and attempts to treat sexuality in shocking terms," said Robert Lichten, director of the Center for Media and Public Affairs, a nonpartisan research group in Washington.

"People used to complain that television was aimed at the mind of a 12-year-old. Now it seems aimed at the hormones of a 14-year-old."

On Tuesday, at the annual convention of the National Association of Broadcasters in Las Vegas, Senator Joseph Lieberman, Democrat of Connecticut, and William Bennett, the conservative Republican commentator and lobbyist, plan to speak out, as they did two years ago, to condemn a batch of sexually lurid talk shows. They will urge station owners to drop "The Jerry Springer Show," in particular, and to adopt a voluntary "code of conduct" enabling them to restrict vulgar programming without fear of losing a competitive edge.

But interviews with parents around the country last week suggested that many American families were not as acutely distressed about television vulgarity as Mr. Lieberman and Mr. Bennett are.

Some parents say they believe their children, raised in a multiple-channel universe, are savvy enough about television not to be overly influenced by it. Some argue that real-life issues and language confront children anyway.

"I don't think parents have given up

caring, but they've almost given up fighting," Mr. Lichten said. "Popular culture is so ubiquitous it's almost impossible to combat. It's like the weather, everyone complains about it but no one does anything."

Television is not alone in coarseness. In music, four-letter words and sexual bravado are common, not only in rap, but in mainstream rock. Even the most popular movie of the year, "Titanic," which was seen by millions of children, had a scene in which the female lead appeared topless.

Network executives tend to dispute that anyone is deliberately pushing the envelope of pop-culture propriety to attract viewers. They say television reflects the culture, which has grown more permissive, and that the provocative themes in certain shows arise from isolated circumstances.

Some of Jerry Springer's guests' bouts are obviously staged, too, and have become a cult attraction for college students. Mr. Springer's MTV shows included one where a young man and woman told the woman's boyfriend they were sleeping together (the young men got into a fistfight) and one where he offered people \$1 to do kinky things, such as dance naked in front of the audience (with genital pixillation making the segment suitable for television).

Some parents say children learn to idolize the wrong sorts of people and lifestyles. Others say children know the difference between reality and the fictional world of television.

Some experts worry that young people will be desensitized to meanness and sexual risks. Michael Cohen, a developmental psychologist and partner in a New York City research firm, Arc Consulting, shares that concern but says

U.S. Envoy Prompts Fireworks in Athens

The Associated Press

ATHENS — Greece's European affairs minister stormed out of Parliament on Monday after the speaker likened the U.S. ambassador here to an imperial governor and asked the government to rein him in.

The ambassador, Nicholas Burns, a former State Department spokesman, has been touring the country urging Greeks to put up a better fight against terrorism, to stop copyright piracy and to liberalize their economy.

"He is an ambassador, but he behaves like an *anhipatos*," said the speaker, Apostolos Kallamakis, interrupting George Papandreou, a fellow Socialist, while he was addressing the Parliament. "It's about time you reined him in."

In ancient Greek, the word *anhipatos* was used to describe a deputy governor during Imperial Roman times. By using the word, Mr. Kallamakis was hinting that Mr. Burns was acting like a representative of an imperialist state.

Mr. Papandreou, gathering his papers, shot back. "The Foreign Ministry is perfectly aware of how to conduct its business."

Not enough research has been done to draw conclusions.

But many parents today say they believe that battling with their children about television is almost pointless, given the anti-social humor, foul language and sexual innuendo young people hear everywhere.

"It's part of life," said Katherine Mahoney, a mother of two teenagers in Cambridge, Massachusetts. "I'm of the notion that life is a soap opera."

MALAYSIA: The Economic Crisis Is Affecting Official Policy

Continued from Page 1

Parliament member in Malaysia to be sent to prison.

Although the reasons for the sentence last week differ from those in 1987 — when he was detained without trial as a "threat to national security" — both times that Mr. Lim has been sent to jail, Malaysia's economy has been in a rut.

Over the last few months, as the region's economic crisis has filtered into everyday life with rising prices and layoffs, the government's tolerance of dissent has appeared to evaporate slowly. Nearly every week a government minister or police chief has threatened to use the country's Internal Security Act, which calls for detention without trial, against anyone who spreads rumors about the economy, incites racial strife, aggravates air pollution by burning trash outdoors or, most recently, helps illegal immigrants enter the country.

During the weekend, the government used the act to detain 20 bureaucrats who were suspected of helping forge identification cards. Officials did not say when the suspects would be released, but judging from previous cases, including Mr. Lim's, they could be held from a few weeks to several years.

The government has also admonished the media in recent months to present stories in a positive light. Newspaper editors say that directives from the government on what should be covered in the press and how have become almost routine, resulting in increasing levels of self-censorship.

"The government is using very successfully the weapons of fear and intimidation," Mr. Lim said in an interview last week after he spent a night in jail. "They've managed to frighten the population away from taking a stand on issues of importance such as account-

ability, transparency and more democracy and freedom."

For Mr. Lim, 38, it is not the number of people who have been detained by the government that is important — very few people of his generation have experienced interrogation in the blue room. Rather, it is the climate of fear that he says has evolved among opposition politicians, journalists and ordinary Malaysians.

"Self-censorship has been refined into such an art that the censors couldn't do a better job," he said.

Mr. Lim was convicted last year of charges arising from the publication in 1995 of a pamphlet titled "The True

Story." The document, which was photocopied and distributed to a few thousand people, criticized the government's decision not to press statutory rape charges against a former senior government official.

The pamphlet questioned why the schoolgirl involved in the scandal — she was 15 at the time — was detained in the case, but not the official, who was then regarded as a protégé of Prime Minister Mahathir bin Mohamad.

Mr. Lim was convicted of sedition and printing "false news." His original sentence, handed down last year, called for a 15,000 ringgit fine, which at the time was equal to \$6,000. Last Wednesday, the Court of Appeals in Kuala Lumpur dismissed Mr. Lim's two appeals and sentenced him instead to two 18-month concurrent prison terms.

If his new appeal fails, Mr. Lim will be disqualified from his seat in Parliament.

In announcing the decision, Judge

Gopal Sri Ram said: "It is time that the court sends a clear message that it cannot tolerate any attack on the judiciary." The prosecutor in the case defended the sentence, saying that it was not politically motivated. "We do not need advice from any political party or political leader, including the prime minister, in making decisions or handling cases," said Mohd. Abdullah, the country's attorney general.

But in the days following the decision, voices from inside and outside Malaysia criticized the verdict — as well as the notion that verdicts themselves could not be criticized.

As for Mr. Lim, he questions why he has been singled out, when others, notably the prime minister's daughter, have been equally critical of the government's handling of the case.

Marina Mahathir wrote in a newspaper column a few months after the sex allegation broke: "It seems to me to be a gross mockery of justice that she is the one being charged for illicit sex." Mr. Lim said he agreed with what Ms. Marina said in reference to the schoolgirl, but asked why she was not prosecuted for her views in the column.

"Is it because we have different fathers?" he asked. Mr. Lim's father, Lim Kit Siang, is the leader of the opposition party and often an outspoken government critic.

Father and son share top posts in their party, the Democratic Action Party, a fact that led Mr. Mahathir recently to suggest that they practiced nepotism.

"What Guan Eng has received from my nepotism," replied the elder Mr. Lim last week, "are not business opportunities, mega-contracts and mega-loans, but a crown of thorns, the destruction of his political life as well as putting in jeopardy his own public life and the welfare of his family and children."

Herald Tribune

ESTABLISHED 1887

Push China on Rights

By dropping its annual sponsorship of a resolution condemning China at the UN Human Rights Commission, now meeting in Geneva, the Clinton administration acknowledges what has long been obvious.

Washington no longer favors public condemnations of China's severe human rights abuses, believing that such criticism damages broader diplomatic and commercial relations between Beijing and Washington.

Human rights are a basic American interest, and the administration should not flinch from promoting them. Whether Washington does so through public criticism or less confrontational methods should be determined by the effectiveness of either approach. It is encouraging to learn that China is likely to allow Wang Dan, the most prominent democracy advocate now behind bars, to go into exile. But other dissidents are still being arrested.

While it has lowered its voice, the administration has not walked away from the issue of Chinese human rights. President Bill Clinton offered a forceful defense of basic freedoms in his joint press conference with China's president, Jiang Zemin, last October in Washington.

Mr. Clinton should return to that theme when he visits China this June. The administration has been urging China to extend political freedoms and the rule of law and to subscribe to

international human rights conventions. Last month China announced it would sign the International Convention on Civil and Political Rights, which guarantees freedom of expression, assembly and religion. That is a positive step, though it is unclear to what extent China will abide by those guarantees.

For the moment, China seems to have entered a slightly less repressive phase. Several dissidents have been freed recently or sent into exile. Petitions calling for greater democracy were allowed to circulate in advance of the recent session of the National People's Congress, China's official legislature. Ordinary Chinese now enjoy more freedom in what they can say, whom they can meet and how they can earn a living. But there is a danger that China will interpret Washington's relaxation of public pressure as an invitation to resume its torment of the tiny band of democracy advocates the next time the political winds shift.

The China Mr. Clinton will visit in June is a country in intellectual flux and more open than ever to outside ideas. Mr. Clinton should take advantage of the opportunity to talk directly about the rights and freedoms that Americans hold most important, just as Ronald Reagan openly challenged the Soviet Union's stifling ideology during his 1988 visit to Moscow. Most freedoms are still lacking in China.

—THE NEW YORK TIMES

Yeltsin's Gyration

Russian rulers have never been a buttoned-down lot, but Boris Yeltsin has been doing some pioneering work in eccentric leadership.

The gyrations of recent weeks have left a nation with thousands of nuclear weapons in the untenable position of having no sure line of succession to a president of uncertain health. That raises the awkward but unavoidable question of whether Mr. Yeltsin is capable of providing the steady leadership his country so urgently needs.

In deed and in word, Mr. Yeltsin has seemed wobbly of late. By replacing a seasoned prime minister, Viktor Chernomyrdin, with a political novice, Sergei Kiriyenko, Mr. Yeltsin increases the chances of future instability. Mr. Kiriyenko seems no match for the political heavyweights who would contend for the presidency if Mr. Yeltsin became incapacitated or died before his term expires in 2000. Without a strong prime minister to fill the post and hold together the country until new elections could be called, a constitutional succession could be overwhelmed by a scramble for power.

Mr. Yeltsin seemed indifferent to this danger as he decapitated his gov-

ernment. He compounded the problem by seeming unclear himself about which ministers he planned to reappoint and Parliament's role in the formation of a new government.

Russian satirists make sport of this unpredictable behavior, but it is not amusing. Mr. Yeltsin, through force of personality and revision of the constitution, has given the presidency lopsided power. That puts a premium on constant leadership. It also places a burden on Mr. Yeltsin, his aides and his doctors to level with Russians about his health.

Since bypass surgery in November 1996, Mr. Yeltsin has dropped out of sight several times to treat what his doctors described as respiratory illnesses. They have denied any recurrence of the heart problems that incapacitated him before the surgery, and have said he suffered no mental impairment during or after the operation.

Given Mr. Yeltsin's impulsive instincts, it is hard to know whether his recent conduct is just another burst of capricious behavior or a sign of physical or mental deterioration. It is not a question that Russia can afford to sidestep.

—THE NEW YORK TIMES

Hope for Armenia

One and a half years ago, Armenia's reputation as a fledgling democracy took a hit when its incumbent president, Levon Ter-Petrosian, held onto power through a re-election process that was widely judged to be fraudulent. Mr. Ter-Petrosian, at one time a respected Soviet dissident and intellectual, struggled to govern for a year and finally resigned in February.

Now Armenia has repaired some of the damage by staging an election that, while far from perfect, represents a major improvement over the 1996 vote — and over the level of democracy in many other post-Soviet republics. A preliminary report of the Organization for Security and Cooperation in Europe described irregularities in the March 30 vote, including ballot-box stuffing and "sufficient indication of vote fraud to require further investigation and possible criminal charges."

But the observers also said that in terms of equal access to media, reduced pressure on voting soldiers and unfair use of state resources, this election was cleaner than the last. The irregularities uncovered, the observers said, would not have produced a different result.

So the winner is Robert Kocharyan, who was Mr. Ter-Petrosian's prime minister and had been acting president. In that sense, Mr. Kocharyan, 43, ran as an incumbent, but he has promised a different style of rule. The winner is committed to introducing legislation to curb the president's wide-ranging powers in favor of Parliament and to improve Armenia's election law.

He has said he will appoint a government representing a broad range of parties and interests. And he has

acknowledged that Parliament, from which much of the opposition was excluded, does not fairly represent the country, suggesting that elections of lawmakers should be held reasonably soon.

All this would be welcome, and would help the new president meet the daunting challenges ahead. These are, first, in the economic sector. Armenia's first postindependence government made a good start on reform, including in turning agricultural communes into private farms. But it did not push forward fast enough, and a heavy-handed bureaucracy and widespread corruption continue to block economic growth.

Prosperity also will depend on progress in the second challenge facing Mr. Kocharyan: making peace with Armenia's neighbors. A landlocked state with an ancient history, Armenia is in a cold peace with its neighbor Azerbaijan, and its relations with neighbor Turkey are not much better. The cause is a dispute over an ethnic-Armenian enclave inside Azerbaijan called Nagorno-Karabakh, which, with Armenia's unofficial help, won a military victory over Azerbaijan after the Soviet Union collapsed. A cease-fire has not led to a peace agreement, however, despite intensive international mediation.

Now Mr. Kocharyan says the way forward is for Azerbaijan to talk directly with Karabakh; Azerbaijan says it will do so only after Karabakh accepts the "territorial integrity" of Azerbaijan — meaning that it renounce any claims to independence. The resulting stalemate helps nobody.

—THE WASHINGTON POST

Amid Governmental Chaos, the Judiciary Worked

By Anthony Lewis

BOSTON — The surprising thing is that so many people were surprised when Judge Susan Webber Wright threw out the Paula Jones lawsuit.

It was a worthless suit, reeking of politics. Most Americans thought just that. Then why the surprise? Because, as was often said before the decision, the political stakes were so high that the judge would duck it to a jury.

Judge Wright did not duck. And there is the first lesson of her decision: how important it is that we Americans have independent judges, judges prepared to decide without regard to political pressures.

Most legal experts thought Judge Wright was correct in her judgment. Some disagreed with it, but no one questioned its legitimacy. That is the respect we pay to decisions by judges whose independence is protected by the U.S. Constitution.

The judiciary is the one branch of the federal government that has that public respect today: the one seen to be functioning as it should. Congress is distorted by partisan warfare and the lust for money. The presidency has been weakened by scandal and the obsessive search for more; the obsession has gone so far that some now talk as if

lying about sex were an impeachable High Crime.

Not that the judicial system worked perfectly in the Paula Jones case. Far from it. That is a second lesson. The way the case was handled did terrible and unnecessary damage to our politics.

The worst mistake was the Supreme Court's decision last year rejecting President Bill Clinton's request to postpone the Jones case until after his term ended. The court's opinion, by Justice John Paul Stevens, said the case should not take much of the president's attention.

"Most frivolous and vexatious litigation," it said, is soon dismissed, "with little if any personal involvement by the defendant."

Even as a general proposition, that notion was divorced from reality. Civil litigation these days, with its extensive pretrial discovery, can put appalling burdens on defendants. And in this particular case, Mrs. Jones's lawyers turned the discovery process into a political onslaught on the president, with salacious press releases far afield from the legal issues.

It is overwhelmingly clear now that no president of the United States should have to defend himself against civil lawsuits while in office. Congress should act to require postponement of such cases.

Otherwise, after the example of Paula Jones, people with real or fancied grievances will be tempted to sue future presidents.

But once postponement was ruled out, did the Jones case have to be such a donnybrook before trial? To put it another way, why was the lawsuit thrown out only after Mrs. Jones's lawyers had turned the pretrial discovery process into an anti-Clinton political campaign and the two sides had run up more than \$5 million in legal fees? The answer — the fault — lies in the failure of courts to control discovery.

Judge Wright wanted to keep Jones v. Clinton from becoming a media circus — wanted to deal with it as an ordinary tort action. But the higher courts have allowed wide scope for discovery, not least in sexual harassment cases. So she must have felt unable to restrain the Jones lawyers from their pursuit of other alleged victims, even though in the end they were ir-

relevant when Mrs. Jones could show no damage to herself.

There is a lesson for the press, too, in the Jones case and all that sprang from it. The press has been too credulous, too ready to believe the worst about Bill Clinton, too slow to examine the bona fides and the financing of his attackers, too eager to report the unconfirmed.

For the country, the most important lesson is the first: the value of an independent judiciary. And that should lead to reflection by Congress and the president.

Congress has done severe damage to the principle of judicial independence in recent years. Members have threatened to impeach judges for decisions they disliked. Congress has stripped the courts of power to review asylum and other immigration cases. It has gutted habeas corpus, the historic remedy for unjust imprisonment.

Mr. Clinton was complicit in the immigration and habeas corpus legislation's blows to the constitutional role of judges. Perhaps now he can better understand why the protective hand of independent judges is needed by immigrants, citizens and presidents.

The New York Times

Israel at 50: A Pronounced Case of Split Personality

By Uri Avnery

TEL AVIV — When you are 50 years old, you should know already who you are. The state of Israel does not.

What is it? A "Jews' state," as the founder of the Zionist movement called the future state? A "state of the Jewish people," as defined in one of Israel's laws? A state that belongs to its citizens? Or a "Jewish and democratic state," as the official doctrine, endorsed by the Supreme Court, announces?

And how can a state, whose every fifth citizen is a non-Jew, be Jewish and democratic at the same time? Who is a Jew? What does a "Jewish state" mean?

Such questions may sound abstract, but they have a direct bearing on our everyday life in Israel.

In the beginning, most Zionists declared that "Jewish" was a purely national identity. But after a long juridical struggle, it was accepted in Israel that the only valid definition of "Jewish" was religious. Israeli law says, therefore, that a Jew is a person whose mother is Jewish or who has converted to Judaism in a religious ceremony.

As Jews in Israel enjoy many overt and covert privileges, this definition is very important.

If Israel is a Jewish state, it seems logical that a Jew in Paris has the right to immigrate to Israel at any time and to automatically receive Israeli citizenship, while a Palestinian refugee in Paris, whose family had lived in Haifa for centuries, has no right to return, more or less to citizenship.

Recently it was reported that there is a secret "demographic" department in the prime minister's office, whose job is

to encourage Jewish women to bear as many children as possible and to discourage Arab women from doing so.

For most Israelis, this makes sense, since the aim of the Jewish state is to "ingather" as many Jews as possible. After all, that is the Zionist raison d'être.

But who are we Israelis? Are we really Jews? A new kind of Jew? Jewish Israelis? Israeli Jews? Or just Israelis? I am a convinced atheist. I think of myself primarily as a human being and then as a Hebrew-speaking Israeli of Jewish descent.

Simple? In a recent opinion poll Israelis were asked how they defined their identity. Thirty-four percent answered "Jewish," 35 percent "Israeli," 30 percent "Jewish and Israeli."

Among those who defined themselves as left-wing, 60 percent answered "Israeli." Among 12- to 18-year-olds, 44.5 percent answered "Israeli."

Are Israelis really Jews in the accepted sense? A Polish friend told me about an acquaintance in Warsaw who had visited Israel for the first time. He told him breathlessly: "Do you know what? In Israel there are Jews, too!" He meant, of course, Orthodox Jews, those who wear black gowns and hats, as they have done for centuries in Eastern Europe.

This Pole had probably never before seen a Jew, but in folkloric shops in Poland you find, among other wooden figures of Polish types, Jewish musicians dressed in black gowns and hats.

This sounds like a joke, but it isn't. Everybody understands

that there is a huge difference between Jews and Israelis.

Even a casual observer perceives that over the last generations, Jews in Palestine-Israel have become a new people. The religion, too, has changed. The ultranationalist, messianic tribal religion of today's settler movement, which now plays such a big role in Israeli politics, bears little resemblance to the humanistic Jewish religion of Western Europe.

The main thing that ties Israelis to the Jews everywhere is the memory of the Holocaust and preceding persecutions. Indeed, the great Orthodox philosopher Yeshayahu Leibowitz alleged that the Jewish religion had died 200 years ago, and that the Holocaust was a kind of ersatz religion, the only thing that Jews around the world have in common.

There is a certain danger in this remembrance. One cannot, one should not, forget this monstrous chapter because that would be treason to the memory of the victims — our relatives, our flesh and blood.

But this remembrance comes with the conviction that not only the Nazis, not only the Germans, were to blame, but all the other peoples, too — all who did not raise a finger when the industrialized mass murder was in progress. This is a notion that comes naturally, nearly inevitably, to Jews. But for Israelis it is dangerous.

If one grows up with the conviction that the whole non-Jewish world wants only to annihilate the Jews — indeed, that the whole of human history is

nothing but a chain of anti-Jewish persecutions — and that Israelis are Jews like any other, then the logical conclusion is that we Israelis cannot make peace, that peace is a dangerous illusion, that we must be constantly on guard.

It is difficult to understand the Israeli reaction after the Oslo peace accords without grasping the important role of this conviction in our political life.

Yet Israel is a new nation. Millions of people were transplanted not only from one country to another, but also from one culture to another, from one language to another, from one climate to another, from one way of life to another, from one geopolitical situation to another, often also from one social class to another.

It would have been a wonder if nothing new came out of this.

This new nation, Israel, is suffering from great inner stresses. Today, 50 years after the official creation of the state, a deep rift passes through its middle. We refer to "left" and "right," but these terms have little resemblance to the way they are understood in Europe.

Generally speaking, "left" in Israel means the social and economic upper classes, the Jews of European origin ("Ashkenazim"), the better educated, the non- and anti-religious. This left is reinforced by practically all of the Arab citizens of Israel — a national minority of nearly 20 percent.

"Right" means the socially and economically underprivileged, the Jews of Oriental descent (often referred to as "Sephardim"), the less edu-

cated and the religious Jews of all shades.

The rift between the two camps is widening constantly. Some speak already of "two peoples," the left based in Tel Aviv, the right in Jerusalem. When the left's Shimon Peres faced the right's Benjamin Netanyahu two years ago, the election results showed that each camp commands almost exactly 50 percent of the vote.

The rift runs through all the problems of Israeli society: state and religion (the right prevents any separation); the constitution (the religious do not want one); the laws and the Supreme Court (too liberal for the religious); the educational system (dominated by the religious); the Arab minority in Israel proper (equal rights on paper only). Even music is involved: the left's pop versus Oriental songs.

The peace process has fallen into this abyss. The right has condemned the "Ashkenazi" Oslo agreement; a rightist religious fanatic murdered Yitzhak Rabin, an Ashkenazi par excellence, at a leftist mass meeting.

For rightists, "Greater Israel" is vastly more important than peace. Ironically, their leader, Mr. Netanyahu, is a typical Ashkenazi son of the upper classes.

How will Israel develop over the next 50 years? Nobody knows. Only one thing is certain: It will remain an interesting country.

The writer is a former member of the Knesset and a leader of the Israeli Peace Bloc, or Gush Shalom. He contributed this comment to the International Herald Tribune.

Drawing the Appropriate Lessons From the Asia Crisis

By Michel Camdessus

The writer is managing director of the International Monetary Fund. Second of two parts.

WASHINGTON — The financial crisis in East Asia has been very challenging, but perhaps we still face the greatest challenge of all — to draw the appropriate lessons from this experience and act on them.

Recent events have prompted a great deal of reflection and soul-searching — both within the IMF and among the governments that are our shareholders — about what more could be done to prevent such crises, how to deal more effectively with those that arise and how, in general, we could make the Fund an even more effective institution.

The primary focus of the IMF is on sound money, prudent fiscal policies and open markets. We must maintain that emphasis because these are the prerequisites for economic growth and financial stability. Yet I believe that we must broaden the scope of our concerns to include other elements that, in a globalized world, are also important in achieving these goals.

They include creating a more level playing field for the private sector by dismantling monopolies and setting up simpler, more transparent regulatory systems; stronger banking systems that protect small depositors' savings and are freed from government intervention in the allocation of credit, so that they can channel it not just to a favored few but to those who will use it productively, and reductions in unproductive government spending, such as costly military buildups, prestige projects and subsidies and guarantees to favored sectors and firms.

The new elements would also include higher and more cost-effective spending on primary health care and education; adequate social protection for the poor, unemployed and other vulnerable groups; environmental protection; greater transparency and accountability in government and corporate affairs, and a more effective

dialogue with labor and the rest of civil society to increase political support for adjustment and reform, and to ensure that all segments benefit from the resumption of growth while core labor rights are protected.

The crisis in Asia has underscored the importance of these elements. Indeed, in many respects they are the bedrock of the programs we are supporting in the region. But our concerns about these issues do not begin and end in Asia. We are emphasizing these points in many other member countries as well because we think we can, and should, do more about them.

What about crisis prevention? This will not be an easy task, but already there are a number of good ideas on the table.

• First, we must continue to encourage countries to improve the quality of information that they make available to the IMF and the public.

• Second, we must find ways to strengthen domestic financial systems by improving domestic regulation and supervision and increasing financial sector transparency. Over the past year or so, the IMF has helped develop a set of "best practices" in the banking area, so that practices that have worked well in some countries can be adapted to and applied in others. We are now disseminating these best practices around the world through our policy dialogues with member countries.

• Third, as we push even harder for trade liberalization, and as nations open their economies to foreign capital, we must encourage them to liberalize capital flows in a prudent and properly sequenced way that will maximize the benefits and minimize the risks of free capital movements. Work is un-

der way on an amendment to the IMF's charter that would make the liberalization of capital movements one of the purposes of the Fund and extend its jurisdiction to such movements.

• Fourth, we must continue to pursue good governance and intensify the fight against corruption. Our approach is to encourage countries to maximize the transparency of government operations and thus minimize the opportunities for special favors. But we are also prepared to interrupt IMF-supported programs on grounds of corruption (and we have already done so in a number of cases) when it threatens to have a macroeconomic dimension.

As the IMF presses its members to become more open, the question arises: Does the Fund itself practice what it preaches? In recent years, we have made a major effort to provide more information to the public.

Looking ahead, I think that the crisis in Asia will be a watershed, convincing many members of the benefits of greater transparency. This will enable the Fund to become more open in the future, an objective I very much support, even if we are dependent on the consent of our members.

The more vexing question is whether the IMF should blow the whistle on a country it thinks is heading for a crisis. The danger, of course, is that our predictions may not always be right. Moreover, our warnings could provoke the very crises we are trying to prevent. It is far better for market participants to come to their own conclusions. That is why we have set up standards to guide members in releasing reliable data to the public, along with an Internet bulletin board so that the

public can track the practices of individual countries.

The international community cannot realistically expect to avert every potential financial or economic crisis. So what else can be done to ensure that future trouble can be handled effectively?

Certainly, better ways need to be found to involve the private sector in official efforts to resolve debt crises and avoid the problem of moral hazard, perhaps through orderly mechanisms for settling and restructuring debts. Countries should also be encouraged to strengthen the laws and institutions covering debtor-creditor relations, including domestic insolvency laws.

In addition, we need to enhance the effectiveness of multilateral institutions, which includes, of course, ensuring that

they have sufficient resources and personnel of the highest caliber to do their jobs.

The IMF cannot perform a central role in crisis prevention or management — or do its part in addressing financial problems that exceed the capacity of individual countries to resolve alone and in a way that shares the burden fairly — unless it has adequate resources.

There are still major risks in the world economy. Thus it is a matter of concern that the IMF's usable funds have dropped to a level that leaves it little room for maneuver to respond to a new crisis.

This comment was adapted by the International Herald Tribune from a speech by the writer to the National Press Club in Washington on April 2.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Catalan Longing

BARCELONA — The *Vanguardia* voices the unanimous desire of the Catalans. They have more solid reasons for longing for peace than anyone else in Spain. Everyone agrees that the loss to commerce since the insurrection began in Cuba, and particularly since relations with the United States have been strained, is frightful. The business men tell that the commercial depression reigning in this, the richest, part of the country amounts to a menace to the existence of the people.

1923: Foolish Slang

PARIS — [The Herald says in an Editorial:] Novelty seems to appeal to us moderns in connection with almost every imaginable subject. But novelty, whenever mal-apropos, is afflicting to all except the frankly vulgar. A fact in point is the

rapid invasion of the common English tongue by slang. Many valuable additions to the vocabulary have their origin in slang, but the forcing of unnecessary or incongruous slang into the everyday conversation is as foolish as it is offensive.

1948: Finn-Soviet Pact

LONDON — Finland signed a treaty with Russia pledging herself to fight "within the boundaries of her frontiers" in the event that either she or Russia is attacked by Germany or "another state allied with her." The Finns thus apparently won two major concessions in long-drawn-out negotiations which started on February 28. They will not have to fight outside their own territory, and Russian troops will not enter Finnish territory without prior negotiations. Finland also won a pledge of Russian non-interference in her internal affairs in the treaty.

Herald Tribune

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OPINION/LETTERS

A New Elite Is Busily Changing the Way America Works

By Robert B. Reich

BOSTON — U.S. Airways recently removed a row of coach seats in each wide-body plane to make room for a new luxurious business-class service. The distance between rows in the new section is 55 inches, compared with 31 inches in coach.

Other airlines are also expanding their accommodations for travelers in business class, as well as in first class.

The ranks of America's affluent are growing, and the market is responding — creating superior spaces and services for them. But this new class of the wealthy has habits unlike those of the rich in earlier times. Today's business and professional elite — investment bankers, corporate lawyers, jackpot entrepreneurs, real estate developers, entertainment moguls — is in constant motion.

They work and play on the run and are money-rich but time-poor. Rather than spend a fortune on fox hunts or long cruises, they spend a lot on what they need.

These changes in how the rich live are reflected in the marketplace. First- and business-class seats now account for more than 22 percent of U.S. airlines' domestic passenger revenue, up from 9.5 percent in 1987, according to the Air Transport Association. No wonder there has been a growth in luxury services at the front of their planes. The new elite also demands premium ground transportation, which explains the surge in limousine services and sales of luxury cars.

In this new economy, the middle class is getting squeezed, sometimes literally. Expanding the front of the plane means less leg room in coach class, and the seats are narrower.

There is also a squeeze in real estate costs. The busy rich have to live somewhere, so the residential market is quickly shifting to luxury apartments and co-ops. Wherever space is limited, a larger portion of it is going upscale. As the cost of real estate soars, the middle-class is being pushed out. In New York City, two-bedroom apartments that went for \$240,000 two years ago now cost \$300,000 and up.

Not only does the new elite get more space. It also gets more attention. The front of the plane has far more flight attendants per person than in coach, and they respond to call buttons more quickly. The airline's VIP lounge is staffed by several friendly souls who hurry passengers through check-in lines.

Limousine services answer the phones more quickly than taxis do because they are better staffed. Luxury-car dealerships have more mechanics on hand to service the cars, so the wait is shorter.

Increasingly, the quality most sought after by the new elite is personal care. What makes an apartment truly deluxe is the custodians who respond quickly and the doormen who take packages. What distinguishes the high-end boutiques and tony retail stores from the mass-market department stores is the abundance of salespeople who hover tactfully, and offer advice. The best hotels have platoons of obliging clerks and charming concierges.

And the new elite has no shortage of specialized care: personal trainers, masseurs, physical therapists, guides, counselors, de-

corators, planners and advisers to make their lives and bodies more efficient.

The Bureau of Labor Statistics has estimated that there will be 76 percent more physical therapists in 2005 than there were in 1990, 40 percent more gardeners and groundskeepers and 39 percent more res-

millions of personal-attention jobs created in recent years to cater to the new elite are being done by the same middle class that is being squeezed in the back of the plane and out of the city.

They used to be bank tellers, telephone operators, garage mechanics and factory workers. Their work often benefited people like themselves. But now they have been pushed out of the old jobs and into new jobs whose value is measured by the quality of their attentiveness to people who live much better than they do, and better than their neighbors.

The old moneyed class of the Gilded Age had servants from the other side of town, of course, and the servants cleaned rooms and drove carriages they never could have afforded themselves. But large-scale industrialization gradually changed all this, creating a mass market for mass-produced goods and standardized services, while building a huge middle class. That was the great achievement of modern capitalism, and it strengthened society as well as the economy.

The emerging economy is not taking us Americans backward, but it does seem to be moving us toward a new kind of social divide, between the very rich and the middle class. As long as the buoyant economy continues to lift most of us, not too many are complaining, at least not very much.

The writer, a professor of social and economic policy at Brandeis University's Heller Graduate School, was secretary of labor in the first Clinton administration. He contributed this comment to *The New York Times*.

In the new economy, the middle class is getting squeezed — literally.

Frightening Nights Of the Expat Life

By Barbara Rosen

LONDON — We make an earlyish cup of tea to bring up to bed, knowing our 1½-year-old son's bawling could well portend a long night steaming up the bathroom.

Having been here before, we have already discussed who goes to the hospital if we

cannot get it under control, and who stays home with our 4½-year-old daughter. I'm to stay.

Suddenly, I hear a strange, strangled sound over the baby monitor. We rush upstairs to find our son in distress. He is having trouble breathing, much less coughing. We rush into the bathroom, but the steam does not help and he is getting upset — which makes

croup a lot worse. We grab his coat and blanket and run out the door, hoping the night air will shock his airways open. I run back in for diaper bag, mobile phone and favorite teddy bear.

We buckle him struggling and crying into his car seat. They drive off and I go back into the house, still running. He's never been this bad before. I cannot just sit. I start looking for someone to stay with my sleeping daughter. The friendly family across the road has apparently gone away, nanny and all. Two of my daughter's school friends live close by; no answer at either home.

I know our two main baby sitters are out with their boyfriends on this Valentine's Day 1998. One, reached on her mobile phone, promises to call when the couple she is sitting for gets home but warns it could be very late. I try my closest friend here, who lives a good half-hour's drive away. She goes on standby to receive my daughter, in case we have to hop a cab to the hospital and pick up the car there. I'd hate to wake my girl panicked in the dead of night and drag her into a city emergency room, then into a home she hardly knows.

I try another school friend's mother, who lives nearer, knowing full well she is leaving first thing in the morning with her two children for Paris. She is ready to come at my say-so. My husband calls. They have not seen the doctor yet, but our son is breathing a bit better. I look around and start doing all those stupid, useless things. Combining my hair. Stressed, waiting, tired.

Back in Brussels, we had had four years to put into place the kind of surrogate safety net that expats rely on. Half a dozen friends were easily reachable, with faces and homes my daughter knew well. We have only been here a few months. I have to think before trying each person I turn to; no matter how generous and kindhearted they are, this is an imposition.

I want my mom. I want my sisters-in-law, who flew to my side for both pregnancies. I want my brother, who offered to drive four hours to nurse me through the flu in college. I want the friends I have known for years and years. I want my people, the ones I would not think twice about calling. The ones I don't have to pay.

This expat stuff can be hard enough when you don't have kids. When you do and they're in trouble, it's for the birds. Sure, there are ways. You build your network. When the big things are in place, you remember to stash cash for emergency taxis. You remember to take the other kid's car seat out of the car before it goes to the hospital empty.

But in the dead of night, only barely settled in, all you can hear is your toddler's sobbing, rasping voice as you force him, terrified, into the car and onto the road to help. You feel panicked and totally alone. Your head races from one "what if" to the next. The phone rings. The nearby mom, also an expat, is on her way over. I burst into tears and call a cab.

The writer, an American free-lance journalist based in London, contributed this comment to the *Herald Tribune*.

LETTERS TO THE EDITOR

Beyond Europe

The interests of the United States are served in fundamental ways by a secure and stable Europe, but Washington's global responsibilities require it to take a broader view of its security interests and requirements than in Europe alone.

The American public debate on NATO enlargement, in the Senate and elsewhere, should include the question of whether the changes in the North Atlantic Treaty Organization contribute to or detract from the ability of the United States to meet its global responsibilities in the Middle East, the Gulf and Asia.

NATO's expanded missions place added future claims on U.S. military resources that may be needed elsewhere.

That problem would be reduced if European countries acquired a greater willingness and capability to perform NATO's enlarged military missions, or if they contributed more to U.S. military efforts to meet global security requirements outside Europe, which are in Europe's as

much as America's interests. Unfortunately, things are not encouraging on either score.

The support from America's NATO allies during the recent planned military showdown with Saddam Hussein — tepid at best with the exception of Britain — is similar to what can be expected from the countries whose flags fly with the U.S. flag in Panmunjom, Korea.

Although the United States received strong support from those countries during the Korean War, we can expect with near certainty that few if any European flags would be raised in alliance with ours in an allied military response to Asian security threats to which important trans-Atlantic interests apply.

A 21st-century NATO is important to U.S. interests, but we do not have one yet, and will not until it includes a more robust European military contribution and greater allied consensus — or mechanisms for allied coalitions of the willing — on trans-Atlantic security interests "way out of area."

HOWARD K. WALKER, Chevy Chase, Maryland.

The writer was deputy commander of the NATO Defense College in Rome from 1994 to 1997.

Israeli Security

Regarding "Palestinians, Too, Ought to Have Security" (Opinion, March 19) by Wilfrid Knapp:

The writer is right in pointing out the material and psychological aspects of security. By any measures, Israel is a military superpower and Israelis, especially the settlers, are armed to the teeth. But that favorable balance of force does not and cannot give them a sense of security.

At checkpoints and at the airport, even when Israeli security officers strip Palestinians naked, the officers look — and obviously feel — threatened. It is the insecurity of people who know that most of the land they live on has been expropriated from the Palestinians.

SANA CAMPANINI, Geneva.

Mr. Knapp complains of Israel's "gross inhumanity" and enlists as proof the fact that "Palestinians can go in

and out of Gaza only with a permit." That sounds like normal border control to me.

He writes that occupation "sears the souls of the occupiers." Is that what happened to Allied troops and officials in Germany and Japan after World War II?

Excuse me if I prefer theoretical scars on my soul to the more tangible pain of picking up an abandoned package in a park and having my hands blown off.

J.S. SORKIN, Carmel Tzur, Israel.

Guns and Safety

Regarding "Guatemala Steps Up Tourist Security" (Leisure, March 27):

So, the U.S. State Department thinks that Guatemala is "still struggling in its battle against common crime" and that "no area in Guatemala can be definitively characterized as 'always safe.'"

May I suggest a similar warning over a large country in North America where a flourishing gun culture contributes to pervasive crime and where children have access to firearms with deadly effect? SEAN DALY, Moscow.

Regarding "Milosevic Outflanks U.S. in Battle Over Sanctions" (March 24):

If Yugoslavia grants Serbia's formerly autonomous province of Kosovo the status of republic, what is to prevent the international community, at some politically convenient point in the near future, from yet again violating the sovereignty of Yugoslavia by recognizing Kosovo's independence, just as it did to four of the former Yugoslavia's six republics in 1991-1992?

MICHAEL PRAVICA, Cambridge, Massachusetts.

Full Fares First?

Regarding "Fuller Service for Full-Fare Fliers" (April 2):

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.



Kosovo's Future

The Contact Group's decision to wait one month for Slobodan Milosevic to meet its terms gives the advantage to the Yugoslav president, who now is reinforcing his special police in Kosovo. Members of the six-nation group must not repeat Neville Chamberlain's blunder over Czechoslovakia by trying to appease Mr. Milosevic at the expense of Kosovo.

The international community often tends to disregard, or refuses to give authorization to, nationalistic movements. While it might think it has admirable reason, it should ponder this question: If not for the fervor of nationalism, would the West have beaten communism?

PETER B. MARTIN, Montcuq, France.

CROSSWORD

ACROSS

- Andy's pal
- Decent-sized diamond
- Latin word
- Term of endearment
- Kitchen appliance brand
- Shed
- LIGHTS!
- Chop down
- Actress McClurg
- DNA structure
- Carolina college
- Bradley, the G.I.'s General
- Composer Gustav
- Moot
- Red as —
- Cove, L.I.
- Cotton gin maker Whitney
- CAMERA
- Troupes for the troops: Abbr.
- Appearance
- Bisect
- Traitorous
- Joke that causes a belly laugh
- Franchise
- "Stop waiting around!"
- Bassoon's cousin
- Heart pitapat
- Animation frames
- Average guy
- ACRONI
- French cleric
- Fishing craft
- One conquered by Pizarro
- Unfairly deprives (of)
- Playful animal
- Big bovines
- Conductor Kurt
- Mistreat
- "Great blue" bird
- French back street
- Board
- "As — and breathe!"
- Fall drink
- Dance move
- " — my wit's end"
- longue
- Bridge seal
- Calls forth
- Asian expanse
- Woods, e.g., or one who uses woods
- 11-Down's creator
- Stove lift
- Tracks traveler
- L.B.J. in-law
- Serial abbr.
- Foredoom to failure
- Fairy tale opener
- Actor Richard
- Earth-friendly prefix
- Used a 38-Down
- Carnival site

DOWN

- 1970's hitmakers from Sweden
- "Manilesto" writer
- Bassoon's cousin
- The Bering, e.g.
- Where Duncan was done in
- Forcefully
- Widemouthed Martha
- "What else?"
- chi ch'uan
- Unit named for a French physicist
- "— Flanders"
- Jai —
- Crossing for Charon
- Computer order
- Spawning fish
- H.L.
- Indian, e.g.
- "Death in Venice" author

Solution to Puzzle of April 6

BANG AMASS EAST
AGEE MACRO INCA
BULLDOZING GNAT
EEL ALIE ETHANE
DIES STAT
AGHAST SWIMMERS
FOAMY THEM EVEL
TOBN TRADE NANA
ESPY AONE TODAY
RESAMPLE GUELS
NOEL POET
SNAKES MICA OLE
POLE THENATURAL
ALOE RISER REDS
NOUS YEAST NODE

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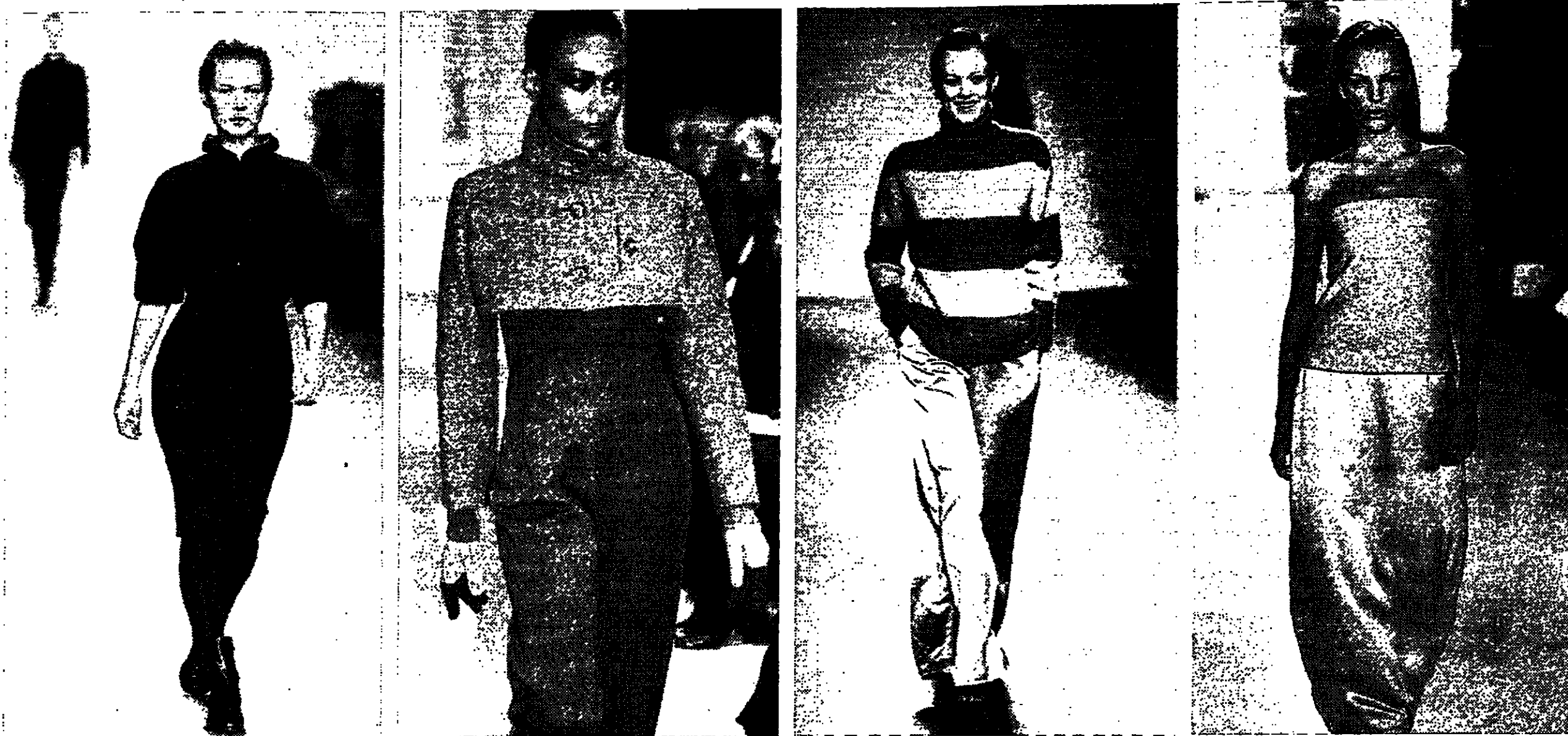
Herald Tribune

Newsweek

TIME

An Unsung Hymn to American Ingenuity

New York Designers Divert a Fashion Current by Way of Japan



From left: Calvin Klein's cropped jacket and high-waist skirt; Geoffrey Beene's bolero jacket over jumpsuit; Isaac Mizrahi's striped sweater and baggy satin pants, and Donna Karan's strapless top and padded silk skirt.

By Suzy Menkes
International Herald Tribune

NEW YORK — Jackets sculpted with an easy swing, dresses wrapped and tied, feet in felt slippers — and a phrase to sum up this inventive new sportswear: "American Ingenuity."

But that was then — the halcyon post-war period celebrated in a new exhibition that opened last week at the Costume Institute of the Metropolitan Museum (until Aug. 16). This study of American sportswear from the 1930s to 1970s shows how forward-looking those "ingenious" creators were, from the famous "popover" dress by Claire McCardell in 1948 through the bold travel coats of Bonnie Cashin.

But here's a conundrum: With such a rich history, why didn't the leading designers in New York's fashion week explore the territory mapped out in America 50 years ago — instead of rerouting by way of Japan?

The overriding impression of last week's fall season was of clothes worked to an aesthetic pioneered by the Japanese designers Yohji Yamamoto and Rei Kawakubo of Comme des Garçons. The results were often intriguing, occasionally beautiful and sometimes more usefully than the uncompromising originals. But the only ingenuity was in diverting an existing fashion current.

Take Calvin Klein's show. It started strong and clear, with a new take on tailoring: brief bolero-length, square-sleeved jackets and blouses or zippered tops with high-rise, over-the-knee skirts. They made a new silhouette that seemed to be following, albeit in heavy-weight or padded fabrics, the running track of Klein's airy spring sportswear.

FEW tailored pieces appeared later — powerful square-cut coats and jackets with raised seams emphasizing their austere architecture. But most of the show was dedicated to complexity. For many women, that would spell perplexity at ankle-sweeping dresses growing angular pouches at the hem or bulging with awkward wraps. Occasionally Klein would abandon the pattern-piece puzzles and concentrate on the fabric innovations — wool textured in squares like seersucker giving an illusion of plaid. That was a convincing modern way of developing a post-minimalist look.

But whereas Jil Sander, who is on a similar look-to-the-East track, still keeps her essential sleek tailoring, Klein seems to be tearing out his roots — what Richard Martin, the Met's curator, calls "a Shaker-like harmony with fashion basics." An easy suit with jacket and pants? Forget it. Having established his reputation on the clean-cut simplicity descended from American designers who broke away from foreign influence, Klein is now in thrall to European runways.

Showing a newfound serenity, Donna Karan also did Yohji Yamamoto, but she made a beautiful job of it. With love poems and spiritual thoughts read on the sound track, out came sculpted shapes in

thick soft fabrics, to show the designer at peace with her image of how a modern woman wants to dress. She takes a gray felt coat, slips it over a silk dress lightly padded like a down duvet.

As the models with their shiny hair and pretty pink cheeks glided down the runway, the fuzzy and shiny fabrics shimmered with light and shade — but not in the artsy way Karan has worked in recent seasons. Instead there was a new tranquillity to the sculpted, bell-shaped skirts, and if the padding sometimes seemed bulky, there were many sleek outfits like slender tunics with simple pants and a strapless top slipped over a lightly beaded stretch-cashmere skirt. The effect was graceful, not contrived.

Geoffrey Beene's collection was frustrating, because he had an ingenious idea — yet introduced it as an afterthought to familiar classics: cropped bolero jackets with jumpsuits and longer jackets with half belts. They were mostly shown with brief skirts that defined the line of what is now too short. Over-the-knee skirts and dresses made a more comfortable modern proportion.

Beene's inventive thought was to increase the visual streamlining of his clothes by using padded seams to outline the kimono shoulders of a jersey dress or trace an asymmetric line across the bias-cut skirts.

"It's very difficult to do — real couture," said Beene, grasping the material between finger and thumb backstage.

Perhaps next season he can develop further this interesting concept.

Isaac Mizrahi doesn't try to dig deep in fashion — and sometimes that surface skimming is just fine. His brightly colored, upbeat collection in which models smiled (a fashion-show revolution) expressed a merry spirit, enhanced by a set of colored cubes through which backstage was viewed.

"Fun and expensive" was Mizrahi's title for his easy pieces: technicolor cashmere sweater sets, fluffy mohair sweaters and satin or tweed Oxford bags that were so wide they almost hid the cute fur-trimmed mules. For evening there was a "Wizard of Oz" feel to the prom dresses in sherbet colors.

Mizrahi is always talking up his fascination with his mother's Norman Norman dresses, and he did weave one thread to the past. The built-in pouches and purses designed to free up American women in the 1940s were given a witty update in a scarlet satin dress with matching padded baby sling.

One test of a designer is being able to capture a current look and make it individual. With the cape a hot item, Stephen Sprouse opened his show on a high note, as hooded capes swished out in scarlet or khaki, sometimes pleated, or transformed as a jersey poncho. But the designer's ingenuity then petered out into familiar back-to-the-1960s looks with Jean-Michel Basquiat prints and camouflage worked in sequins.

A shearing cape made a strong ending to the fledgling designer Andrew Dribben's show for Illia. His capsule collection in luxurious fabrics showed precise attention to detail and inventive cutting for dresses that might be pieced into patchworks of velvet or delicately ruffled and seamed.

Although pantsuits have recently dominated female fashion, simple dresses were a touchstone of American sportswear. Alongside Claire McCardell's seminal creations is Diane Von

Furstenberg's 1975 wrap dress — a style that is now snapped up at flea markets.

"The big surprise to me is that it is the young girls of my daughter's age who are wearing it — just like when I started this when I was in my 20s," said Von Furstenberg, who calls the wrap dress the "mother" to new styles, always in jersey, that are pulled on like a T-shirt, cut with a portrait neck or shrouded in tulle for a modern layered look.

Vera Wang also expanded her repertoire. Known for bridal gowns, she

came up this season with light-handed but sophisticated evening dresses: slender shapes in lace, chiffon, embroidered tulle and silk jersey, with a whisper of the exotic in chinoiserie and Indian effects.

Todd Oldham showed a handful of gowns — just to accessorize the fantasy film he created with the model Chandra North. Although several designers are exploring different ways to present fashion, it looked like Oldham is more interested in making movies than clothes.

BOOKS

HIT MAN

By Lawrence Sanders. 259 pages.
\$22. Morrow.

Reviewed by Carolyn See

MOST of these "hit man" stories first appeared in "Playboy," and it's easy to see why. They're wistful escape tales for young guys who may just be finding out that behind every bunny lurks a tedious wife-to-be, and that all those sports utility vehicle commercials on television mask a hard world where you're supposed to work at least eight hours a day at a dumb job until you die of a heart attack, and that all those beers they want you to drink will end up making you look (and think!) like Dad, over there in the corner, beached on his Barcalounger.

Oh, man! Wouldn't it be great just to live alone, in a neat little apartment with a great view of New York City, go out to movies once in a while, play some chess maybe, eat in restaurants all the time, maybe get a dog for company, and then, if you're lucky, some great girl will happen by, and you could have some fun, and maybe even some romance, but after a while she'd drift away, no hard feelings, and you could have dinner alone again? That would be heaven, wouldn't it? And to top it off, you'd get to kill somebody once in a while. You'd even get paid for doing it. Most of these wrongdoing turkeys would deserve it. God knows, so you could just live out your life in relative peace and quiet, traveling around, socking money in safe-deposit boxes against the proverbial rainy day. You'd be self-contained, untouched either by emotions or by those debilitating responsibilities that turn you into an old fud.

Sounds great, doesn't it? Even I'd like it, and I'm not a guy.

Keller, the "hero" of "Hit Man," lives that life. He's low-key to the max, always wanting just a little less than he has, so he's contented, or he tries to be. But when he goes out to Oregon on a job, he can't help daydreaming about the house he could buy there, even the family he might have. Or sometimes he meets a victim who's too nice to kill. You shouldn't have to kill a decent person, and so Keller doesn't. He just declines. What a wonderful thing to have these godlike attributes — not only to take life away but also to bestow it.

Keller has two women in his life (the perfect number). One is a sweet little karmic airhead who answers an ad to walk his dog and almost immediately divines his occupation. She doesn't mind that he's a professional assassin; since we're all on some larger spiritual trip, what's so wrong, she figures, about Keller giving some people a little nudge off the planet? He finds in the delight that he's on her perfect wavelength and addresses her as "Little Pink Toes."

His other source of female companionship is Dot, office manager at his assassin business, an extremely low-rent outfit operating out of White Plains, New York. Dot is tough-talking and street-smart. The best thing about her is

that she knows all about what they both do. When their boss begins to crumble just a little, allowing himself some dreary thoughts on the subject of right and wrong, Dot takes on responsibility for solving this vexing conundrum.

You can say that "Hit Man" even obliquely brings up some of the perturbing questions of serious literature: Who are we? How do we live? What is the self? In postmodern terms, isn't the "self" just a series of collected fictions? Keller is an innocent — at least we're meant to feel that way. He picks up clues about life and gingerly tries to incorporate them into his own existence. When he journeys to a Western town to eliminate someone, he's drawn into a series of meditations about the West and the iconic destroying stranger. Isn't he, in this not-so-random act of violence, part of that grand, patriotic tradition?

Keller learns, as he tentatively romances Little Pink Toes, that a woman can't have too many earrings, and it may

be his conscientious lavishing of these ornaments upon her that finally sends her wafting off. Also, he needs a friend, and who is man's best friend? A dog, of course. When faced with a plethora of possible victims, searching for a way to decide which of them should live and which should die, he finds himself wondering: Do they like dogs or not, these possible victims? Shouldn't a dog lover be allowed to live? He doesn't know, really; he's just snatching at straws, trying to figure out how a man should live in the late 20th century.

"Hit Man" certainly isn't a great book, but it's pleasing in the way that "L.A. Confidential" (the movie, not the novel) is pleasing. As a book, "L.A. Confidential" is viciously great, James Ellroy murderously putting the reader through agonizing ethical paces like a personal trainer of the mind. The movie just leaves you pleasantly satisfied.

Carolyn See reviews books regularly for The Washington Post.

CHESS

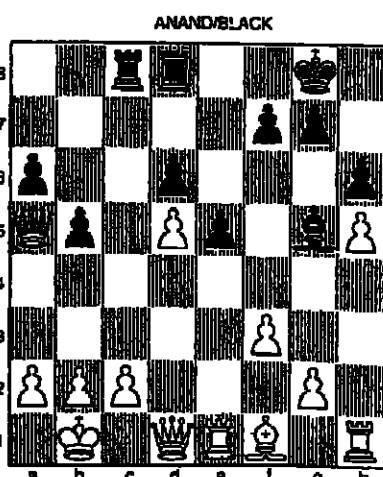
By Robert Byrne

AT the Linares Supertournament in Spain, Viswanathan Anand beat Vassili Ivanchuk in the 12th round. Anand was, as usual, adept in positional maneuvering. He got the upper hand positionally and then put the game away with a nice combination.

The attack against the Classical Sicilian Defense with 6 Bg5, independently devised by Kurt Richter and Vsevolod Alfredovich Ranzner in the 1930s, virtually prevents 6...c5 because 7 Nf5 lets White establish a light square bind in the center after 7...Bf5 8 e4. It also prevents a transposition to a Dragon because 6...g6? leaves Black with crippled pawns after 7 Bf6 e5.

Ivanchuk's choice of 9 f4, simply bracing the center, instead of the more aggressive mainline 9 f4, plans a king-side attack with g4, h4 and so on rather than action in the center.

After 13 h5, it is important to stop



Position after 22 ed

| SICILIAN DEFENSE | | | |
|------------------|-------|------------|-------|
| White | Black | White | Black |
| Ivanchuk | Anand | Ivanchuk | Anand |
| 1 e4 | c5 | 15 Ne2 | Rac8 |
| 2 Nf3 | d6 | 16 Qd2 | Rf8 |
| 3 d4 | cd | 17 Re1 | e5 |
| 4 Nd4 | Nf6 | 18 Bf6 | Bf6 |
| 5 Ne2 | Nc8 | 19 Ne2 | Bg5 |
| 6 Bg5 | cd | 20 Qd1 | Qa5 |
| 7 Qc2 | Be7 | 21 Nd5 | Bd5 |
| 8 0-0 | 0-0 | 22 ed | Rc2 |
| 9 f3 | Nd4 | 23 Kc2 | Qa2 |
| 10 Qd4 | g6 | 24 f4 | Rc8 |
| 11 h4 | b5 | 25 Kd2 | Bf4 |
| 12 Kf1 | Qc7 | 26 Ke2 | Qb2 |
| 13 h5 | h6 | 27 Kf3 | Rc1 |
| 14 Bf4 | Bb7 | 28 Resigns | |

White from playing 14 h6. Moreover, 13...h6 is not a serious weakness because once White has thrust h5, it is not so easy for him to get in g4 and g5 to open the h file.

It is evident after 16...Rf8 that Black has the initiative. White's strategy has just been too passive.

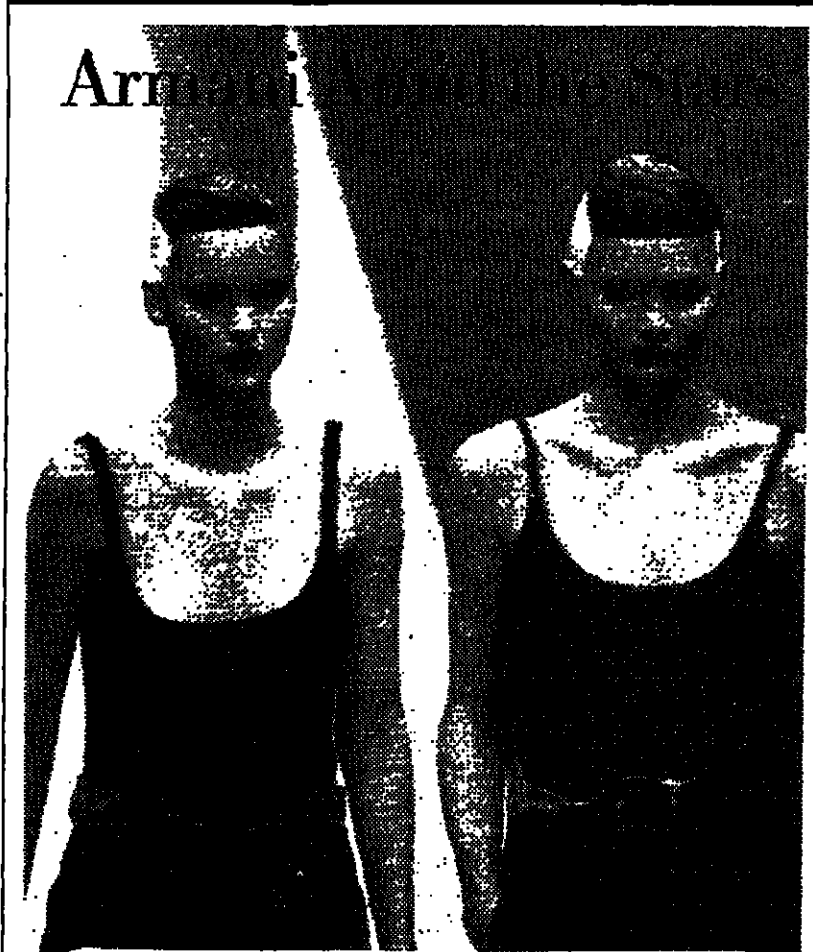
After 17 Re1, it would not have been wise for Anand to take a pawn with 17...d5 18 e5? Qe5 because 19 Bg3 Qf5 20 Nd4 Qh7 21 Bd3 Qh8 gives Ivanchuk positional advantage to compensate for the sacrificed pawn.

After Anand's 20...Qa5, Ivanchuk had to look out for 21...Rc3?, breaking up the white king position; 21 Nd5 was forced, but after 21...Bd5 22 ed, Anand struck a tremendous blow against the enemy king with 22...Rc2!

After 23 Kc2 Qa2, the black king could not run back to shelter. And Ivanchuk could not block the c file with 24 Re4 Rc8 25 Bc4 bc 26 Kc3 f5 27 Re2 Rb8 because of 28 b4 Qa3 29 Kc2 Qb3 mate. In this line, 26 Qa1 would be smashed by 26...Qb3 27 Kb1 Qd3 28 Ka2 Rc5 29 Qe1Bd2.

Ivanchuk saw that 28 Qe2 Qc3 29 Kg4 Qg3 30 Kf5 g6 leads to 31 Ke4 f5 mate and gave up.

Armani



Emporio Armani's tank tops with slouchy velvet pants.

International Herald Tribune

NEW YORK — The New York shows closed with Giorgio Armani's trans-Atlantic riposte to the French for banning his Paris show last month for security reasons. The Italian designer assembled an audience worthy of the Oscars for his Emporio Armani show on Wall Street. Those who weren't riveted by the moist red lips and lissome limbs of Mira Sorvino, the evergreen curves of Sophia Loren and the star-studded front row from Robert De Niro and Martin Scorsese through Spike Lee and "Titanic" villain Billy Zane might have spotted slouchy velvet rapper pants, western fringing and sneakers. It seemed more like an homage to laid-back L.A. than pure and perfect Armani, what with weird Kabuki-meets-"Star Trek" hairstyles and an invasive sound track pounding "sexuality." But as a PR exercise, Armani gave a stellar performance. — Suzy Menkes

ESCADA
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1998
Marie-Martine
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Paris 6th
Tel 01 42 22 18 44

EUROPE

Shekel Falls Amid Fear of Devaluation

Compiled by Our Staff From Dispatches

TEL AVIV — The Israeli shekel fell 2.3 percent against the dollar Monday on fears that plans to make the currency convertible next month would lead to its devaluation.

The dollar rose Monday to 3.701 shekels from 3.616 shekels Friday. "People are afraid of the unknown and they don't know what will happen when the shekel becomes fully convertible," a dealer at Israel Discount Bank said.

In an attempt to calm nerves, the president of the central bank, Jacob Frenkel, said on Israeli radio that there was "no reason to panic."

"No one should exaggerate," he said. "We need to get accustomed to fluctuations in the market."

Mr. Frenkel said there were no plans to cancel the currency reforms. The central bank is scheduled to make the shekel fully convertible May 1 as part of a program to ease restrictions on the Israeli economy. At the same time, exchange controls on the shekel for individuals and companies would be lifted.

The value of the shekel is now calculated according to a basket of currencies, in which the U.S. dollar accounts for 60 percent and the Deutsche mark, the pound, the Swiss franc and the Japanese yen account for the balance.

The shekel is allowed to fluctuate within a margin of 15 percent above and below the basket value. Over the last months, the shekel has been at its maximum rate.

The currency reforms are timed to coincide with the celebration of Israel's 50th anniversary on April 30. A spokesman for the Israeli Manufacturers' Association complained that it was "too early to go ahead with this reform."

He said: "The economy is slowing down, unemployment is continuing to climb, and the political and military situation is unstable."

The director general of Mizrahi Bank, Victor Medina, said the Israeli economy "has not reached an equilibrium point, particularly with its balance of payments always running at a deficit."

The private sector's jitters are caused in part by the slowdown in the Israeli economy over the past 18 months. According to figures from the Bank of Israel, gross domestic product growth should be only 1.5 percent to 2 percent this year, compared with 1.9 percent in 1997 and an average 6 percent from 1990 to 1996.

(APF, Reuters)



OIL DEAL — Philippe Jaffre, left, chief executive of Elf Aquitaine SA, and Mikhail Khodorkovsky, president of AO Yukos Oil Co., exchanging pens after Elf signed an agreement in Moscow on Monday to pay \$528 million for a 5 percent stake in Russia's largest oil company.

'That's It!' BMW Says of Offer for Rolls

Bloomberg News

MUNICH — Bayerische Motoren Werke AG said Monday it would not raise its bid for Rolls-Royce Motor Cars Ltd. even as Volkswagen AG raised its offer for the British luxury carmaker.

"We have made one offer and that is it," said Richard Gaul, a BMW spokesman.

Last week, VW said it raised its offer for Rolls-Royce a day after BMW's £340 million bid (\$564.4 million) was accepted by Vickers PLC, Rolls' owner. VW's new bid is reportedly about 1.3 billion Deutsche marks (\$701.3 million).

Vickers' agreement with BMW on March 29 must still be approved by Vickers shareholders at a meeting in May, and some have expressed disapproval of a quick sale to BMW, saying they would vote against the agreement if a credible, higher offer was put on the table.

In an interview with the Welt am Sonntag newspaper, the BMW chief executive, Bernd Pischetsrieder, said that should Vickers' main shareholders not support the management's recommendation to sell Rolls-Royce to BMW, "then they might as well force" Vickers' management to quit.

Vickers said it could not accept or negotiate a new VW offer for a month because it was legally required to negotiate exclusively with

BMW. Vickers said it could consider other offers at the end of April, adding that it was "duty-bound to consider other offers in the interest of its shareholders."

If VW or another company buys Rolls-Royce, BMW has said it will stop delivering engines and other parts it supplies to Rolls-Royce. BMW supplies engines for Rolls and Bentley cars and anti-lock brakes, air conditioning and suspensions that account for 30 percent of a Rolls-Royce car.

BMW's purchase of Rolls-Royce would be its second foray into the

British car market. It took over Rover Group in 1994 in a transaction that has yet to pay off for BMW.

BMW announced March 31 that Rover had posted a loss of 260 million DM in 1997, little changed from its loss of 279 million DM the year before.

BMW plans to keep Rolls-Royce's production site in Crewe, England, BMW said it would have to spend \$1.6 billion over the next 10 years to increase Rolls production to 6,000 cars a year from the current 1,900.

Akzo Holds Talks With Courtaulds

Bloomberg News

ARNHEM, Netherlands — Akzo Nobel NV said Monday it was holding talks with Courtaulds PLC that could lead to a cash offer for the company valued at £1.83 billion (\$3.04 billion).

The bid, at 450 pence a share, is lower than the current price for Courtaulds stock, which slipped 5 pence Monday to 465 after having risen 29 percent last week.

A takeover of Courtaulds would make Akzo the world's largest maker of paints and coatings, creating a company worth \$5.67 billion a year. The deal also would be the latest in a series of consolidation moves in the European chemical industry. Analysts say they expect such moves to continue, as European assets appear cheaper than American ones.

While no other bidders have emerged, analysts say U.S. paint and coatings makers, such as PPG Industries Inc., Du Pont Co. and Sherwin-Williams Co., could be interested. Imperial Chemical Industries PLC of Britain, the current leader in coatings, has also been identified by analysts as a possible bidder. But a person familiar with the matter denied that ICI was interested, and ICI declined to comment.

Akzo said it was not interested in the fibers division of Courtaulds, which it said it would combine with its own and spin off. That calls into question Akzo's preliminary agreement to sell a 50 percent stake in its fibers unit to Hacı Ömer Sabancı Holding AS of Turkey. Akzo would not comment on the Sabancı deal.

Investor's Europe

| Frankfurt DAX | London FTSE 100 Index | Paris CAC 40 |
|-------------------------|-----------------------|----------------|
| 5400 | 6200 | 4200 |
| 5500 | 5900 | 3900 |
| 4700 | 5800 | 3600 |
| 4300 | 5000 | 3300 |
| 4000 | 5000 | 3000 |
| 3500 | 4700 | 2700 |
| 1997 | 1997 | 1997 |
| Exchange | Index | Monday Close |
| Amsterdam AEX | 1,185.53 | 1,182.12 +2.01 |
| Brussels BEL-20 | 3,052.91 | 3,031.87 +0.69 |
| Frankfurt DAX | 5,271.65 | 5,223.52 +0.92 |
| Copenhagen Stock Market | 776.01 | 773.38 +0.35 |
| Helsinki HEX General | 4,628.73 | 4,551.47 +1.70 |
| Oslo OBX | 758.82 | 750.57 +1.10 |
| London FTSE 100 | 6,105.80 | 6,064.20 +0.69 |
| Madrid Stock Exchange | 938.83 | 920.74 +1.96 |
| Milan MIBTEL | 2,637.77 | 2,657.00 +3.16 |
| Paris CAC 40 | 3,986.75 | 3,932.02 +1.39 |
| Stockholm SX 16 | 4,109.10 | 4,018.04 +2.32 |
| Vienna ATX | 1,549.42 | 1,534.03 +1.00 |
| Zurich SPI | 4,847.72 | 4,797.64 +1.04 |

Source: Telexkurs
Revised: Monday, April 6, 1998

Very briefly:

- British manufacturing output was unchanged in February from January instead of increasing 0.2 percent as expected, providing more evidence that a strong pound is hurting exports and lessening the chance that interest rates will go up when the Bank of England's monetary policy committee meets Wednesday and Thursday.
- Eastern Germany's machinery orders surged 11.3 percent in February from a year earlier, offsetting a 0.7 percent decline in the West. Steel output rose 20.7 percent in Eastern Germany in March, pushing total German production to 4.15 million metric tons, a record.
- Berkshire Hathaway Inc., controlled by the billionaire Warren Buffett, may have sold about 30 percent of its board of silver, Ted Arnold, a Merrill Lynch & Co. analyst, said, quoting "some very good sources in the market." Last October, Mr. Arnold became the first to publicly signal that an investor in the silver market was building a large holding.
- Nestle SA is starting a chain of coffee shops in Britain that will serve only instant coffee.
- Siemens AG of Germany reached agreement with the metalworkers' union IG Metall on a pay settlement for about 6,000 workers at a number of Siemens units. The accord includes recommendations on performance-related and results-related pay and on flexibility in employment contracts.
- Mediabanca SpA began a 2.09 million lire (\$1.15 billion) sale of stock and warrants to fund investments in technology and research to bolster its investment-banking operations.
- Continental AG, the German tiremaker, said profit in 1997 rose 67 percent, to 322 million Deutsche marks (\$174.3 million), on reorganization efforts and booming tire sales. It also said it would propose raising its 1997 dividend to 0.70 DM a share from 0.60 DM.
- Mitsubishi Electric Corp. will close a television factory in Scotland in July, eliminating about 500 jobs.
- Itocru Corp. of Japan plans to build an 11-story office tower costing 40 billion yen (\$296 million) in London's financial district, the City. It plans to let out the entire building, which is due to be completed in 2000, to Goldman Sachs International on a 20-year lease.

Bloomberg, Reuters, AFP

Murdoch Slams Europe's State TV Networks

Bloomberg News

BIRMINGHAM, England — Rupert Murdoch accused state-owned European television companies Monday of protectionism, but said he would continue to try to set up joint ventures in Europe.

Mr. Murdoch, the head of News Corp., criticized British regulators for allowing the BBC to give its new "tax-funded" 24-hour news channel to cable companies, saying the move would jeopardize commercially funded news channels such as Sky News, produced by British Sky Broadcasting Group PLC, of which

News Corp. owns 40 percent. He also criticized the European Broadcasting Union, an alliance of Europe's state-owned TV companies that bids for program rights, for, among other things, "distorting competition."

Mr. Murdoch's speech at the European Audiovisual Conference in Birmingham came amid growing criticism of News Corp.'s position in the British market. BSkyB is gaining market power, and News Corp. controls 20 percent of the British newspaper market. "If unhealthy concentration

exists today, it exists not in the private sector but with state broadcasting," Mr. Murdoch said.

Mr. Murdoch spoke after Foreign Secretary Robin Cook told the conference that Europe needed a new regulatory framework for the audiovisual industry. Mr. Cook said the U.S. industry was dominant and that Washington regulated "with a light touch."

He said Europe had to match America's technology and regulation. "If we don't," he said, "we'll be left behind. Standing still isn't an option."

WORLD STOCK MARKETS

Monday, April 6
Prices in local currencies.

High Low Close Prev.

Amsterdam AEX Index: 1185.53

Brussels BEL-20 Index: 3052.91

Frankfurt DAX Index: 5271.65

Copenhagen Stock Market: 776.01

Helsinki HEX General: 4628.73

Oslo OBX Index: 758.82

London FTSE 100 Index: 6105.80

Madrid Stock Exchange: 938.83

Milan MIBTEL Index: 2637.77

Paris CAC 40 Index: 3986.75

Stockholm SX 16 Index: 4109.10

Vienna ATX Index: 1549.42

Zurich SPI Index: 4847.72

Asia Crisis

Prices in local currencies.

High Low Close Prev.

Amsterdam AEX Index: 1185.53

Brussels BEL-20 Index: 3052.91

Frankfurt DAX Index: 5271.65

Copenhagen Stock Market: 776.01

Helsinki HEX General: 4628.73

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Paris CAC 40 Index: 3986.75

Stockholm SX 16 Index: 4109.10

Vienna ATX Index: 1549.42

Zurich SPI Index: 4847.72

Markets Closed

The stock markets in Bangkok, Hong Kong and Taiwan were closed Monday for a holiday.

High Low Close Prev.

Amsterdam AEX Index: 1185.53

Brussels BEL-20 Index: 3052.91

Frankfurt DAX Index: 5271.65

Copenhagen Stock Market: 776.01

Helsinki HEX General: 4628.73

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Paris CAC 40 Index: 3986.75

Stockholm SX 16 Index: 4109.10

Vienna ATX Index: 1549.42

Zurich SPI Index: 4847.72

The Trib Index

Prices as of 3:00 P.M. New York time.

High Low Close Prev.

Amsterdam AEX Index: 1185.53

Brussels BEL-20 Index: 3052.91

Frankfurt DAX Index: 5271.65

Copenhagen Stock Market: 776.01

Helsinki HEX General: 4628.73

Oslo OBX Index: 758.82

London FTSE 100 Index: 6105.80

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Milan MIBTEL Index: 2637.77

Paris CAC 40 Index: 3986.75

Stockholm SX 16 Index: 4109.10

Vienna ATX Index: 1549.42

Zurich SPI Index: 4847.72

Stocks Closed

The stock markets in Bangkok, Hong Kong and Taiwan were closed Monday for a holiday.

High Low Close Prev.

Amsterdam AEX Index: 1185.53

Brussels BEL-20 Index: 3052.91

Frankfurt DAX Index: 5271.65

Copenhagen Stock Market: 776.01

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1948: Fin-Soviet Pact

FINLAND — A Soviet-Finnish pact was signed in Moscow Monday, ending a year-long dispute over the borders of the two countries.

The pact, which was signed by Soviet Foreign Minister Vyacheslav Molotov and Finnish Foreign Minister Aaro Lehtinen, ended a long-standing dispute over the borders of the two countries.

The pact was signed in Moscow Monday, ending a year-long dispute over the borders of the two countries.

ASIA/PACIFIC

A Bullish Fund Manager Turns Pessimistic About Asia

Bill Kaye, managing director of the Pacific Group fund-management company and its flagship Asian Hedge Fund, moved to Hong Kong in 1991 when he felt Asia was filled with investment potential. He spoke about his changed outlook on the region with Thomas Crumpton of the International Herald Tribune.

Q & A / Bill Kaye of Pacific Group

Q. Asian stocks and currencies rallied during the first quarter of the year. Is the crisis over?

A. The rally we have seen is not sustainable and sent a dangerous message to Asia's policymakers. Capital is now flowing back into the region when very few actual changes in these economies have taken place. At current levels the markets have priced in an awful lot of changes in culture, institutions and corporate governance. There is a cotton-candy aspect to this first-quarter rally, and the currencies, outside Hong Kong, can soon expect a second wave of competitive devaluations.

Q. What about the recent high-

profile direct investments in South Korea and Thailand?

A. There is no Asian fire sale. We've just seen a few isolated deals that were played up by the press. BASF, for example, bought a lysine factory that it managed to extricate from a South Korean conglomerate. It sounds like they made a good buy, but in macro terms this was no more than a small spin-off.

Asia is not inviting foreigners in, and the crown jewels are not for sale. If you look at people like AIG who have raised a lot of funds to buy assets around the region, they have not been able to put their money to work. Until it really hits home with Asian companies and governments that capital is scarce and fundamental changes need to be made, you can expect to see the deals drying up.

Q. But don't these currency devaluations offer a straightforward

price discount for foreign investors?

A. There is this outlook from the U.S. that things out here are so cheap relative to elsewhere that they must be a bargain. Yes, Indonesia now has an extremely competitive currency, but so do some countries in Africa. It is deceptive logic to look at assets in terms of replacement value. You may find a brand new office block in Bangkok that cost \$200 million to build that is now on sale for \$50 million. With replacement cost analysis, this is a bargain, but the correct way to look at the building is that it was a huge mistake in the first place. You can't move it, after all, so its value is tied to the future competitiveness of the Thai economy.

Q. And won't the lower currencies increase competitiveness, bringing about an export-led recovery?

A. You've got to be able to sell

your exports to somebody. The problem is that everyone has the same strategy at the same time. Japan is in a recession and the yen is falling, leaving the United States as the only economy of significant size that still has robust demand.

So far, the U.S. has only tasted the first effects of the Asian crisis. When the full effect is felt later this year, the market will be vulnerable to a significant decline, and at that point the U.S. appetite for investing in Asia will completely dry up. That is when real changes will be forced to take place out here.

Q. Aren't Asia's fundamental changes already on the way, with Indonesia and the International Monetary Fund on the brink of a compromise and Thailand and South Korea already undertaking prescribed reforms?

A. Why people consider it good news for the IMF to compromise with Indonesia is completely beyond me. International taxpayers are subsidizing the country's basic ne-

cessities, allowing Suharto's friends to keep their grip on the economy and in the process letting him stay in power. If Indonesia cheats on making changes, won't everyone else? As for South Korea, they are making the right sounds, but they still have to make major cultural changes. Before the changes are complete, there is real danger that the opposition in Korea and Thailand will be swept into power, breaking the political will to make changes.

Q. You sound like a total Asia pessimist.

A. You have to price in an awful lot of political, cultural and structural changes to be an optimist. I just don't think Asia or the world is very well set up to get the region out of this crisis, and markets are not pricing for events which for me seem inevitable. I was very bullish on Asia from 1991 to early 1993, when markets were attractively priced on an absolute and relative basis, but no wealth has been created in Asia in the last year or so.

| Investor's Asia | | | | |
|---------------------------|------|-------------------------|-------|------------------|
| Hong Kong Hang Seng | | Singapore Straits Times | | Tokyo Nikkei 225 |
| 13000 | 2000 | 17500 | 17500 | 17500 |
| 12000 | 1800 | 16000 | 16000 | 16000 |
| 11000 | 1600 | 14500 | 14500 | 14500 |
| 10000 | 1400 | 13000 | 13000 | 13000 |
| 9000 | 1200 | 11500 | 11500 | 11500 |
| 8000 | 1000 | 10000 | 10000 | 10000 |
| Exchange Index | | Monday Close | | Prev. Close |
| Hong Kong Hang Seng | | 1,949.93 | | 1,551.51 |
| Singapore Straits Times | | 2,795.60 | | 2,770.80 |
| Sydney All Ordinaries | | 15,705.99 | | 15,517.78 |
| Tokyo Nikkei 225 | | 683.77 | | 666.48 |
| Kuala Lumpur Composite | | 442.96 | | - |
| Bangkok SET | | 663.77 | | 494.45 |
| Seoul Composite Index | | 9,239.46 | | - |
| Taipei Stock Market Index | | 2,160.48 | | 2,173.55 |
| Manila PSE | | 5,261.41 | | 5,333.30 |
| Jakarta Composite Index | | 2,303.42 | | 2,312.43 |
| Wellington NZSE-40 | | 4,170.22 | | 4,076.05 |
| Bombay Sensitive Index | | 11,052.68 | | - |

Jakarta to Announce IMF Pact Wednesday

Compiled by Our Staff From Jakarta

JAKARTA — The government said Monday it would announce terms Wednesday of a revised economic reform program worked out with the International Monetary Fund.

Over the weekend, Indonesia and the IMF wrapped up three weeks of talks aimed at getting a suspended \$43 billion aid package for the nation's shattered economy back on track.

The IMF had halted a second disbursement of \$3 billion because of concerns that President Suharto was avoiding carrying out tough structural changes to end Indonesia's worst economic crisis in 30 years.

Indonesia, in turn, said the IMF was ignoring the risk of wide social unrest if austerity measures were implemented too swiftly.

Indonesia's top economic minister, Ginandjar Kartasasmita, said the two sides had agreed to disclose the results of their negotiations Wednesday. He spoke after he and other top economic advisers had met with Mr. Suharto at the presidential palace.

"In principle, we've worked out an agreement," Mr. Ginandjar said. "We still need to work out a number of details, and when that's finished, we'll tell everyone."

Those remarks lifted the rupiah, as the dollar fell to 8,550 rupiah in Monday trading from 8,600 rupiah

Friday. The pact would follow the government's decision over the weekend to shut seven banks and seize control of seven others — a move praised by the IMF's deputy managing director, Stanley Fischer, as a step in the right direction.

But speaking in Malaysia on Monday, Mr. Fischer said disbursement of the stalled \$3 billion loan could still take weeks, as the IMF would observe a "period of testing" of Indonesia's commitment to reform before releasing the funds.

The IMF says the new package will work where the previous two failed. There will be "much more careful monitoring between us and the Indonesians to make sure that measures which have been committed to are undertaken," Mr. Fischer said.

Meanwhile, Mr. Ginandjar said Mr. Suharto had phoned the prime ministers of Singapore, Australia and Japan to report on the progress Indonesia had made in its efforts to reform its economy. He said Singapore had decided to provide \$3 billion of guarantees for Indonesian letters of credit and said Malaysia would provide \$500 million.

Australia and Japan will also help with such guarantees but will wait until the agreement with the International Monetary Fund is signed, Mr. Ginandjar said. No figure was given.



A man waiting in line Monday in Jakarta to withdraw funds from Bank Danamon, one of the banks taken over by the government.

Sony Executive Who Sounded Off Gains a Top Post

TOKYO — Norio Ohga, the chairman of Sony Corp. who said last week that the Japanese economy was "on the verge of collapse" and could set off a "world recession," was named a vice chairman Monday of Japan's top business federation, the Keidanren.

"The Japanese economy is facing its most difficult time ever," Mr. Ohga, 68, said last week. "If it continues to decline, we could enter a long spiral of deflation."

Mr. Ohga, who speaks fluent English, likened Prime Minister Ryutaro Hashimoto of Japan to Herbert Hoover, the U.S. president during the Depression in the early 1930s. He criticized Japanese politicians for their single-minded concern about what happened in their constituencies.

The president of Toyota Motor Corp., Hiroshi Okuda, also will join the Keidanren's executive board as a deputy chairman.

Mr. Ohga and Mr. Okuda will succeed Kiyoshi Katoaka, former president of Mitsubishi Electric Corp., and Kenichi Suematsu, former chairman of Sakura Bank, whose companies have been linked to alleged bribery scandals.

The Keidanren suspended Mitsubishi Electric for three months for allegedly bribing a reputed gangster, Teruo Tei, who is now on trial.

Very briefly:

- PT Goro, an Indonesian company controlled by President Suharto's youngest son, Hutomo Mandala Putra, will open a string of shops on government properties across the country. The minister for cooperatives, Subianto Cakrawadaya, said the plan was mainly aimed at heading off the threat from foreign retailers, which were recently allowed to set up their own distribution networks.
- Credit Suisse First Boston and the Salim family canceled their plan to buy into PT Bank Danamon, which was among seven Indonesian banks seized by the government Saturday for having become dependent on emergency credits. The Salim family had planned to buy 19 percent of Bank Danamon, while CS First Boston was to buy 10 percent.
- Marubeni Corp., a Japanese trading company, will invest about 5 billion yen (\$37.5 million) to lay fiber-optic cable to connect central Tokyo with nearby Ibaraki prefecture, the landfill point of its PCI trans-Pacific undersea cable to be completed in 2000.
- South Korea's finance minister, Lee Kyu Sung, ruled out any immediate economic stimulus package for the country and warned that South Korea should be fully prepared for the effects of a possible economic crisis in Japan.
- The Korea Shipbuilders' Association said orders dropped 45 percent in the first quarter from a year earlier, to 923,000 gross tons. Some shipyards have not received any orders at all this year, but operations have been normal so far because of a heavy backlog, the association said.
- Vietel Technologies, a \$20 million telecommunications joint venture between a U.S. consortium called NewTel Ltd. and a Vietnamese military company, has suspended operations. An executive of the Vietnamese company said the two sides had failed to agree on a business plan.
- Tata Iron & Steel Co.'s output rose 8.7 percent in the year that ended Tuesday, to 2.63 million tons, as reduced interest rates in India and increased government spending helped demand to surge, but analysts said prices had fallen about 4 percent over the year. The company is expected to report earnings within two months.
- Singapore Airlines Ltd. said its chairman, S. Dhanabalan, was stepping down to take the top position at Development Bank of Singapore. He will be replaced by Michael Fann, a member of the airline's board.

YEN: Hashimoto Is Set to Act

Continued from Page 1

would make clear his shift from fiscal restraint. That initial approach, which included a sales-tax increase, is now believed to have worsened Japan's economic problems. Some critics have even suggested he should resign because of his handling of the economy.

Mr. Hashimoto was asked Monday during a parliamentary committee meeting whether he planned to take "political responsibility" for promising people he would not increase the deficit and then doing the opposite.

In a remarkably clear and strong response, Mr. Hashimoto said he would allow his future to be decided in elections in July for the upper house of Parliament, an election whose outcome could substantially change the political landscape here.

"It is absolutely true that the biggest way to make clear the responsibility is to get the judgment of the people," Mr. Hashimoto said. He said that people's vote in the upper-house elections would be the best "evaluation" of the job he was doing.

Mr. Hashimoto was apparently jolted into action by a warning Friday from President Bill Clinton that Japan needed to take a "bold course" to revive its economy as well as the "triple shock" that same day of drops in the stock market, the bond market and the value of the yen, which fell to a six-and-a-half-year low against the dollar. Stocks and the yen regained strength Monday on the news that Mr. Hashimoto was taking a more forceful stance.

Mr. Hashimoto said Monday that Japan was facing its most severe economic problems since World War II and that he would remedy them with "bold measures, if needed." Despite increasingly dire reports about the economy, he said the country was not on the verge of collapse.

Because a collapse of the Japanese economy could lead to a worldwide economic slowdown, there has been growing concern that Mr. Hashimoto is taking too long and doing too little to get Japan's economy growing again.

Many critics said they felt that Mr. Hashimoto's statements remained too vague and his promised action too slow and that he continued to seem preoccupied, if not paralyzed, by feuding factions in his party.

"There are too many cooks right now," said John Neuffer, a political analyst in Tokyo.

Mr. Neuffer also said that Hashimoto's "peek-a-boo, placemeal" plans had seemed almost absurdly vague. Noting that Mr. Hashimoto had suggested a \$120 billion plan with almost no details available so far, he said, "Can you imagine any leader of any other major country coming up with such a big plan and not telling anybody what is in it?"

Bad Loans Push Taisei to Warn Of Its First Loss

TOKYO — Taisei Corp., burdened with bad loans and nonperforming assets, on Monday became the second big construction company in a week to say it would post big losses to try to clean up its balance sheet.

The action came only days after its rival, Shimizu Corp., issued its own loss warning, a move analysts said would trigger a painful restructuring in Japan's construction sector.

Taisei said it would post a one-time loss of 125 billion yen (\$936.7 million) for the year that ended last Tuesday, pushing the parent company to a loss for the first time since its listing in 1957.

Of the loss, Taisei said 65 billion yen would be due to appraisal losses on its property holdings, 41 billion yen to increased loss provisions on unrecoverable credits and 19 billion yen to streamlining nonperforming units.

"We have decided to drastically restructure our asset holdings in order to overcome tough competition and expand our business further," the company said.

As a result of the loss, Taisei revised its group earnings estimate for the year to a loss of 67 billion yen. It earlier predicted a profit of 1 billion yen, compared with a profit of 5.78 billion yen the previous year.

Zhu Rules Out Devaluation As Growth Slows to 7.5%

PARIS — China's economy expanded at a 7.5 percent annual rate in the first quarter, Prime Minister Zhu Rongji said Monday, slowing from an 8.2 percent growth rate in the fourth quarter of last year.

In a speech to French business leaders, Mr. Zhu pledged that growth in 1998 would reach 8 percent and vowed to keep the value of China's currency steady.

Mr. Zhu said Beijing would take measures to continue "to maintain growth in the Chinese economy from now to the end of the year at 8 percent, and inflation less than 3 percent, and the Chinese currency will absolutely not be devalued."

He said China's decision not to devalue the yuan had restricted some sectors of the economy, including exports and tourism, but he pledged to enact measures to expand the economy without a currency devaluation.

He said China needed foreign investment to fuel economic growth and help support its currency.

"China is prepared to make sacrifices and muster its efforts to develop its economy and to contribute to the stability of the Asian region. But we also need international help," he said.

French companies and entrepreneurs are welcome, and investment by foreign companies will be "the biggest support for China," he said.

China officially posted economic growth of 8.8 percent in 1997, partly fueled by a relatively large trade surplus. But the prolonged Asian financial crisis has overshadowed its economy this year. The rate of economic growth slowed steadily in 1997, to about 8.2 percent in the fourth quarter of 1997 from 9.5 percent in the first half.

HACHETTE: Magazine Publishing's Bad Boy Gains Respect

Continued from Page 11

Grolier, a direct marketer of encyclopedias and a children's book publisher that Hachette's parent also owns.

Perhaps most significantly, Mr. Pecker has thought big about his company, as most executives are trying to do these days, using his magazines to develop additional sources of revenue, from selling Car & Driver motor oil to running a television show about women's issues.

"He understands very well how the various aspects of the publishing business come together to form a bottom line," said John Heins, chief executive of Gruener & Jahr, which publishes Family Circle and other magazines.

"His style may be very different from my style and other magazine companies, but it clearly works."

In custom publishing — through which Mr. Pecker contracts to produce a magazine for a specific company — Hachette has been churning out publications such as Trump Style, for guests of Trump properties, and magazines for Century 21, Ferrari and Philip Morris.

Hachette also plans to produce magazines for the Cadillac division of General Motors Corp., Universal Studios and America Online Inc.

Given that some consider custom publishing an uncomfortable blurring of the lines between news and business, several publishing executives say they feel a little skittish about going down that road.

"I know he makes money on it. I guess it's smart," Mr. Brownbridge said. "It's just not our thing. I guess it makes us a little queasy."

Mr. Pecker said he was simply adapting to a changing world.

"Ten years ago, the balance between advertising revenue and circulation revenue was 50-50 — today, almost 75 percent of a magazine's revenue is advertising," he said in an interview.

The integrity of Mr. Pecker's various ventures has been questioned over the years, particularly after he killed an article for Premiere on behalf of the Revlon executive Ron Perelman, then a co-owner of the magazine.

The article was to examine the business dealings of the actor Sylvester Stallone, including his role in the Planet Hollywood restaurant chain. Mr. Perelman was planning a venture with the restaurant at the time. Premiere's two top editors resigned over the incident.

"It was a business decision," Mr. Pecker said. "But it was handled badly. I still feel bad about it today."

Nevertheless, there have since been instances of business involvement in editorial content that have raised eyebrows in the industry or within Hachette's magazines — when, for example, Mr. Pecker suggested putting his

friend Fran Drescher, star of the television series "The Nanny," on the cover of Premiere in March 1996 after she had already appeared on the covers of two other Hachette magazines, Elle and Mirabella. The editors, who later resigned, refused, and the cover never appeared.

Mr. Pecker has been outspoken about what other executives may believe but would never say: that editors need to keep in touch with their advertisers' interests. But, Mr. Pecker added, his editors have total freedom.

Some of Mr. Pecker's competitors may disparage Hachette's ad-page gains against Hachette because of Mr. Pecker's reputation for essentially giving ad pages away. But, other media executives say, no one really knows what Hachette is offering advertisers behind closed doors.

Mr. Pecker allows that he is competitive. In 1995, he took out a full-page ad in several large newspapers criticizing Hachette's decision to reduce circulation while raising ad rates.

But Mr. Pecker also says he deserves some recognition for reviving the nine magazines he has acquired.

"There would be 300 people without jobs and probably 2 million readers without those magazines," Mr. Pecker said. "I never got any credit for bringing something back."

Annual figures 1997

Excellent 1997:

- net profit increases by 24% to U.S.\$2,117 million
- profit per share increases by 15% to U.S.\$2.71
- shareholders' equity rises by 30% to U.S.\$22.9 billion

| (in millions of dollars, except for amounts per share) | 1996 | 1997 | % change |
|--|---------|---------|----------|
| Result before taxation: *) | | | |
| - insurance operations | 1,288 | 1,506 | 16.9 |
| - banking operations | 1,100 | 1,447 | 31.6 |
| Net profit | 1,712 | 2,117 | 23.6 |
| Net profit per ordinary share | 2.35 | 2.71 | 15.1 |
| Dividend per ordinary share | 1.03 | 1.19 | 15.0 |
| Total assets **) | 241,174 | 307,588 | 27.5 |
| Shareholders' equity **) | 17,538 | 22,865 | 30.4 |

*) Result: U.S.\$1.00 = NLG 1.9395 (average exchange rate)
**) Assets and shareholders' equity: U.S.\$1.00 = NLG 2.017 (exchange rate on 31 December 1997)

- Good increases in net profit (23.6%), profit per share (15.1%), dividend (15.0%) and shareholders' equity (30.4%).
- Result from the insurance operations showed a significant increase, result from the banking operations was considerably higher despite the influence of the Asia crisis in the fourth quarter.
- Addition of U.S.\$284 million to provisions for future expenditure (including euro and millennium), of which approximately U.S.\$103 million for the insurance operations and approximately U.S.\$181 million for the banking operations.
- Total assets under management increased by 36.6% to U.S.\$167 billion.
- Despite the crisis in Asia, the total addition to Value adjustments to receivables of the banking operations and the Fund for general banking risks decreased by 8.8% to U.S.\$531 million.
- The accounting principles will be changed from 1998 onwards to achieve greater conformity with the international accounting principles. Depending on market conditions it is expected that, based on past experience, net profit will increase by approximately U.S.\$0.5 billion as a result of this change. Consequently, the return on shareholders' equity will increase by approximately 2 percentage-points. It is intended to leave the dividend pay-out ratio unchanged at approximately 43%.

ING GROUP

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The Associated Press.

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The data in the list above is the n.a.v. supplied by the fund groups in response to a request from the IHT or Monipol to sell securities or investments of any kind. Investments can fall as well as rise. Past performance does not guarantee future success. It is advisable to seek advice from a qualified independent advisor before investing.

SPORTS

Japanese on the Mound Have the Edge on Cubans

New York Times Service
NEW YORK — For the second straight year, the New York Mets, not the New York Yankees, featured the first Japanese pitcher to win a game for a New York team, as Masato Yoshii followed Takashi Kashiwada in beating the Yankees' ballyhooed Hideki Iribu into the victory column.

Yoshii, a 13-year veteran of the Japanese major leagues, accomplished the feat Sunday in his major-league debut by pitching seven shutout innings against the Pittsburgh Pirates in a Mets victory.

Nonplussed by the swirl of more than 70 reporters from Japan, Yoshii secured his victory with the little things: throwing first-pitch strikes to 20 of the 25 batters he faced and striking out seven in seven innings.

Bobby Valentine, the Mets manager, said of Yoshii: "I don't think the other clubhouse is going to talk about the great stuff like they might have when they first saw Hideo Nomo's fastball, or even Iribu on a good night. I think they will talk about his ability to be a pitcher, getting ahead with four different pitches: his fastball, his slider, his change-up and his forkball."

He threw them all early in the count. He also threw them late in the count to put hitters away.

"Nonplussed" has never been an adjective associated with Iribu in his short, mercurial Yankee career. Now, not only has the right-hander been the victim of his own pique, but

Advantage Point/CLAIRE SMITH

El Niño robbed Iribu of his debut Sunday because the Yankees revised their rotation after game was rained out Friday night in Oakland. Iribu will pitch Tuesday at Seattle.

This season, for the Yankees, Japanese pitchers are passé; Cuban defectors are in, as newly signed Orlando (El Duque) Hernandez, are in. El Duque's brother Livan, was voted the most valuable player of the 1997 World Series for the champion Florida Marlins. Several other Cuban defectors have tasted freedom but not much major-league success.

The highly touted Rene Arocha is only 18-17 after four seasons. Ariel Prieto (14-21) couldn't make a pitching-poor A's team this spring. The Giants pray that the off-injured Osvaldo Fernandez — 10-17 in two seasons — starts paying dividends on a three-year, \$3.2 million contract.

Livan Hernandez may be the real deal. The youngster who signed with the Marlins for \$4.5 million for four years is 10-3 in 19 major-league games. But he has yet to pitch a full season in the majors. Nor has Will Roldando Arjojo, the Tampa Bay Devil Rays' \$7 million bonus baby, who won his major-league debut last week.

What the struggles of most Cubans, the success of Nomo and the initial flash of Yoshii suggest is that Japanese pitchers land stateside with more polish, having exchanged one major league for another.

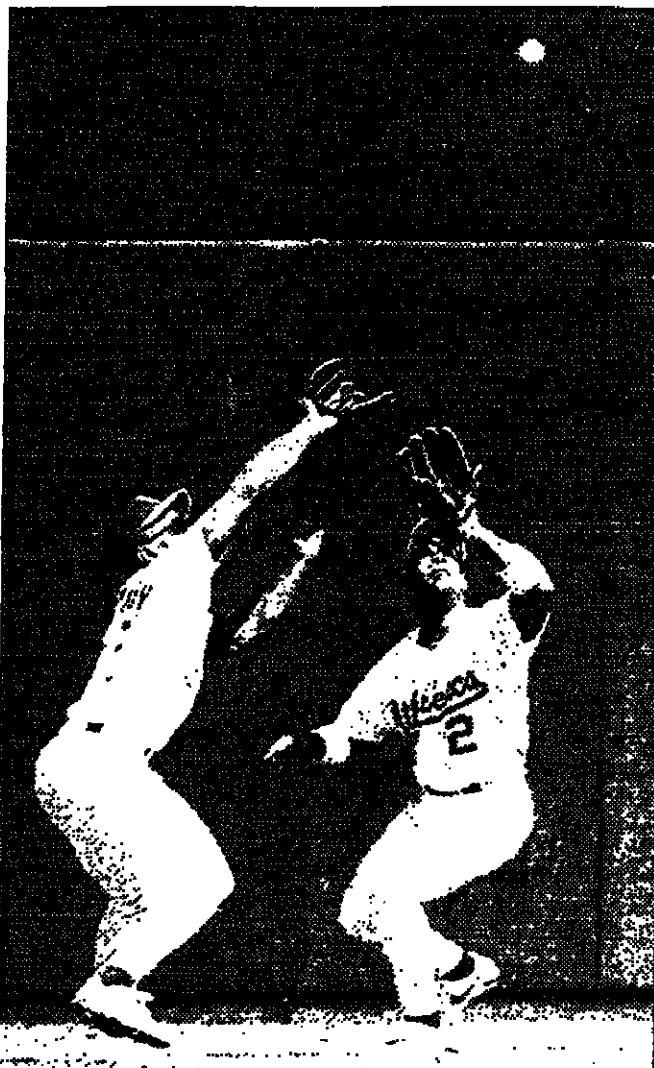
"If you go into the Tokyo Dome when it's packed, pitching against the Yomiuri Giants, it's a little more hoopla than today," Valentine said. "A lot more, actually."

Not so for the Cubans. They must not only deal with culture shock, exchanging \$8 monthly salaries for streets paved with gold, but they must also face competition unlike any they faced with the Cuban national teams.

"And although very gifted and very talented, the level of competition they faced up until the point they defected was subpar," said Omar Minaya, the Mets' assistant general manager and director of international scouting. "The best team they probably faced was the U.S. Olympic team, college players. The Japanese guys, they weren't playing amateurs."

The maturity of the competition, the Western influence on Japanese ball and the watering down of the American game via expansion have closed the gap between East and West and made the exchange rate manageable for Nomo and maybe for Yoshii and Iribu. But the chasm between Cuban and American baseball may be as immense as the nations' political differences.

"To say they did it in amateur baseball and it's going to carry over, that's not always necessarily the case," said Minaya. "El Duque is very good. But for people to think that he is going to have the numbers he had in Cuba, that's hard to do."



Oakland outfielders Rickey Henderson, left, and Jason McDonald going for a pop-up in the game against the Yankees.

Struggling Yankees Finally Win No. 1

The Associated Press
Although their owner was thousands of miles away, George Steinbrenner's presence could be felt in the gloomy dugout as the New York Yankees struggled for their first victory of the season.

But after beginning Sunday as the American League's only winless team, baseball's highest-salaried squad carved out victory.

AL Roundup
No. 1 by beating the Oakland Athletics, 9-7, in 10 innings. It was not easy, however. New York blew two late-inning leads and lost their closing pitcher, Mariano Rivera, to an injury before it was over.

"I felt more nervous out there today than I did in the World Series," said Jeff Nelson, who got the victory in relief.

New York was in danger of starting a season 0-4 for the first time since 1973. Steinbrenner's first year as owner. Although he didn't make the trip west, Steinbrenner had criticized his team after the Yankees lost their season opener at Anaheim.

On Sunday, after the Yankees blew a two-run lead in the ninth, Chuck Knoblauch and Derek Jeter drove in runs in the 10th inning.

Indians 6, Angels 4 David Justice went 3-for-3 with his first home run, and Charles Nagy pitched 7 1/3 strong innings as Cleveland completed a sweep in Anaheim to remain the only unbeaten team in the majors.

Red Sox 10, Mariners 5 In Seattle, Bret Saberhagen earned his first victory since Sept. 26, 1995. The two-time Cy Young winner missed all of 1996 while recovering from shoulder surgery in the off-season, and made six starts for Boston last year.

David Segui hit his fourth home run of the season for Seattle.

Devil Rays 5, White Sox 0 In St. Petersburg, Florida, Wilson Alvarez bounced back from a disappointing opening-day performance as Tampa Bay matched the best start for an expansion team through six games.

Orioles 6, Tigers 3 In Baltimore, Mike Mussina pitched seven strong innings and Rafael Palmeiro drove in three runs as the Orioles won their fifth straight.

Twins 10, Royals 1 In Minneapolis, Eric Milton, the most promising of four prospects the Twins received when they traded Chuck Knoblauch to the Yankees in February, pitched six scoreless innings in his major-league debut. He allowed six singles.

Rangers 6, Blue Jays 5 Rusty Greer doubled home the go-ahead run in the eighth as visiting Texas overcame three Toronto homers.

Chicago Looks Bullish As Playoffs Approach

The Associated Press
With only two weeks left in the regular season, the Chicago Bulls look like a team ready to start the postseason.

Even without Luc Longley and Toni Kukoc, the Bulls overpowered the fal-

NBA Roundup
tering Houston Rockets, 109-94, Sunday to extend their winning streak to 12 games — the longest in the National Basketball Association this season.

"We have a lot of turmoil on this team, but when we get on the court everything is fine," Dennis Rodman said after Chicago improved the league's best record to 58-17.

Michael Jordan scored 40 points for the Bulls for the 11th time this season. Scottie Pippen added 20 points, eight assists and five blocked shots.

Rodman had 12 rebounds and a season-high eight assists and Bill Wennington, making only his third start of the year because of a foot injury to Kukoc, added 14.

"That is the best team in the NBA," said Mario Elie of Houston. "Jordan was tremendous and his concentration level was simply phenomenal."

Jordan said, "Rhythm is everything, that and cohesion. That's what we have."

SuperSonics 87, Nuggets 83 In Denver, the SuperSonics had to work hard to win their 57th game.

Vin Baker scored 21 points, including two crucial baskets off offensive rebounds in the final minute, as Seattle kept the Nuggets at nine victories.

Jazz 99, Grizzlies 93 In Vancouver, Utah took a 14-point lead into the final quarter before getting sloppy and allowing the Grizzlies to pull within four points with 25.6 seconds to play.

Pacers 93, Bucks 92 In Indianapolis,

the Pacers were not assured of victory until Michael Curry's 20-foot (6-meter) jumper hit the outside of the rim and bounced away as time expired.

"It's discouraging to play like this going into the playoffs," said Larry Bird, the Indiana coach.

Cavaliers 94, Clippers 93 In Cleveland, Los Angeles got back six points of a seven-point deficit in the final 30 seconds, but Cleveland managed to run out the clock.

Timberwolves 97, Hawks 96 Stephen Marbury scored five of his nine points in the final 1:30, including a lay-up with 23.4 seconds remaining to give visiting Minnesota the victory.

Celtics 102, Knicks 92 In Boston, the Celtics opened a 28-point lead just four minutes into the second quarter and led by at least 10 the rest of the way.

New York lost ground to the teams pursuing it in the race for a playoff spot. "Instead of getting tougher, we roll over," said Jeff Van Gundy, the Knicks' coach. "We're a fragile team."

76ers 116, Raptors 104 In Philadelphia, Allen Iverson finished with 36 points, nine rebounds, eight assists, four steals and no turnovers as the 76ers beat Toronto.

Kings 105, Mavericks 99 Sacramento, snapped a 12-game losing streak at home as Chris Robinson, a seldom-used guard, scored a career-high 22 points in place of Mitch Richmond.

In games reported in late editions, Monday:

Lakers 105, Pistons 103 Los Angeles came back from an early 18-point deficit to win in overtime in Detroit.

Wizards 88, Magic 85 In Washington, Rod Strickland had his third triple-double of the season — 21 points, 13 assists and 11 rebounds — and Chris Webber collected 22 points and 12 rebounds to beat Orlando.

Senators' Goalie Outduels The Sabres' Hasek, 1-0

The Associated Press
Damian Rhodes, the Ottawa goalie, stole the spotlight from Dominik Hasek.

"Now I can say that I did beat him," Rhodes said after making 22 saves to lead the Senators to a 1-0 victory over the Sabres. "It's more of a boost for me."

NHL Roundup
to finally beat Buffalo. It's a little monkey off my back to beat them and know I can do it."

It was Rhodes' fifth shutout of the season and his first career victory over the Sabres. And it came against the league's shutout king. Hasek has 13 and is threatening to break Tony Esposito's post-expansion record of 15.

"They were everywhere," Hasek said. "They covered every open space on the ice. I don't remember a team playing so well defensively."

Daniel Alfredsson scored when he deflected a shot from the point past Hasek in the second period. Hasek stopped 32 other Ottawa shots.

Rangers 2, Blackhawks 1 The New York Rangers won in Chicago on Daniel Ganeau's goal 1:24 into overtime but were eliminated from the play-

offs when Ottawa beat Buffalo. Ganeau's goal, which ended an eight-game winless streak for the Rangers, was set up by Niklas Sundstrom. The Rangers, outshot by 31-17, got a strong effort from Mike Richter in goal.

It is the first time the Rangers have missed the playoffs since 1993 and just the third time since 1978. Tony Amonte scored his 200th career goal for Chicago, which has lost four of its last five.

Devils 3, Coyotes 2 Patrick Elias scored his second goal of the game early in the third period as New Jersey snapped a season-high three-game losing streak.

Martin Brodeur made only 13 saves in winning his 43d game of the season, fourth shy of Bernie Parent's single-season NHL record set 23 years ago.

Panthers 3, Penguins 1 Kirk Muller scored the game-winner with 4:30 left, and Kirk McLean had 33 saves as Florida beat visiting Pittsburgh. But the victory, Florida's fifth in its last six games, could not prevent the Panthers from being eliminated from the playoffs.

Flames 3, Mighty Ducks 3 In Anaheim, Travis Green scored twice during a 2:57 span of the third period to erase a two-goal deficit for the Mighty Ducks. Teemu Selanne tied his own single-season club record with his 51st goal.

Padres' Brown Trips McGwire

The Associated Press
Kevin Brown shut out Mark McGwire on a day when pitching ruled the National League.

McGwire's bid to become the only NL player to homer in his first five games ended in the St. Louis Cardinals' 8-7 loss to

ML Roundup
the San Diego Padres. He went 1-for-4 with a walk, striking out twice against the sinkerballing Brown.

San Diego rallied for five runs in the top of the ninth inning to win at St. Louis.

Diamondbacks 3, Giants 2 Andy Benes and Arizona made history.

The expansion Diamondbacks won for the first time ever, stopping a five-game losing streak with victory over San Francisco.

"I just happened to be the guy who was out there and got lucky on a few not-so-well-executed pitches," said Benes, who overcame two home runs by Bill Mueller.

Brewers 5, Marlins 2 Florida

received its World Series rings before the game, then got another reminder that this is an entirely new year.

The Marlins dropped their fifth straight game with Livan Hernandez, the World Series Most Valuable Player, taking the loss.

Astros 6, Rockies 2 The Houston fans and hitters made it a rough homecoming for Darryl Kile.

Kile, who won 19 games for the Astros last season and then signed a \$24 million, three-year contract with Colorado, was booted from the mound at the Astrodome.

Kile walked the bases loaded with two outs in the second inning, and pitcher Shane Reynolds hit a three-run double.

Craig Biggio followed with a two-run homer for a 5-0 lead.

Cubs 7, Expos 2 Henry Rodriguez and Scott Servais hit consecutive home runs, and Chicago won its fifth straight game, matching its longest winning streak in the last two seasons.

Rodriguez, traded from the Expos to the Cubs in the off-season, homered in the seventh inning at Wrigley Field.

Dodgers 1, Reds 0 Ramon Martinez dominated with his fastball, retiring the first 20 batters in leading Los Angeles past Cincinnati.

Martinez, who pitched a no-hitter in 1995, walked a batter with two outs in the seventh and gave up a single to Eddie Taubensee with two outs in the eighth.

In games reported in late editions Monday:

Phillies 2, Braves 1 Curt Schilling was nearly untouchable, striking out 15 as Philadelphia beat Greg Maddux and Atlanta.

Mets 7, Pirates 0 Masato Yoshii won in his major league debut, stopping Pittsburgh on three hits for seven innings at Shea Stadium.

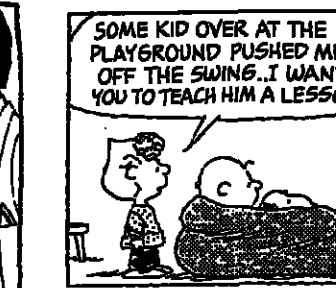
Yoshii, signed by New York in January after 13 seasons in Japan, retired the first seven batters. The 32-year-old rookie struck out seven and walked one.

DENNIS THE MENACE



IT WAS A GOOD DAY. HE RAN OUT OF ENERGY BEFORE I RAN OUT OF PATIENCE.

PEANUTS



GARFIELD



WIZARD of ID



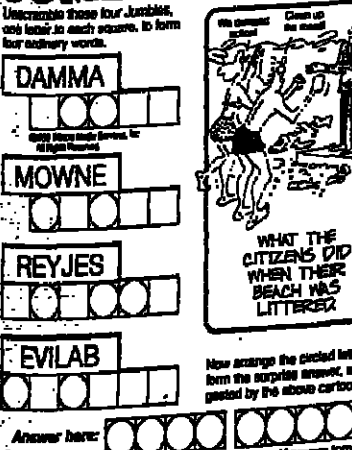
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ART BUCHWALD

A Little Off the Top

WASHINGTON—When the history of the Paula Jones case is written, it will be decided that one of the most important factors was hair.

I didn't realize this until I was seated in a unisex beauty parlor after Paula's lawsuit was thrown out, and Jerry Goelzer said, "Every woman an Starr subpoenaed was more concerned about her hair than her legal rights. I had three customers last week who pleaded, 'Jerry, make me look like the grand jury will believe me.'"

I gave each of them a soft texture and a warm blond color. One called me the next night and said a federal marshal had asked for a date.

I was impressed. "You can't have justice if you don't have a trustworthy hairdo."

Jerry said, "That's how people decide guilt or innocence. Monica Lewinsky was

in real hot water until she changed hair stylists at the Watergate."

A customer getting a shampoo said, "Someone really did a job on Linda Tripp. Everyone thought the mike was buried in her blow dry. But when she changed stylists we all started looking for the tape under her elbow."

Jerry said, "Every woman called in front of the grand jury knew her ordeal would take place either on the courtroom steps or her front lawn. They were aware that if they looked too sexy they would be criticized by the TV-viewing public. At the same time, if they appeared too dowdy, no one would believe the president gave them a bad time."

The manicure lady said, "That was Paula Jones's problem. She didn't know what to do with her hair, or even how to part it, and that is why the judge threw the case out."

I said, "I heard the reason for it is that she had so many people advising her on what to do with her tresses she could never get it straight. She should not have changed lawyers — she should have changed beauty salons."

Delacroix Celebration

PARIS — As France gathers itself for a burst of observances for the 200th anniversary of the birth of Eugene Delacroix (1798-1863), the Grand Palais will open an exhibition Friday with 154 paintings by the archetypal painter, writer and lithographer of the Romantic movement.

The exhibition, "Delacroix, Les Dernieres Annees: 1850-1863," is organized in sections and built around such themes as hunting, religion, Morocco and history.

Kathleen Willey's name came up.

"Do you think she's telling the truth?" I asked.

Jerry said, "She looked truthful on '60 Minutes,' but if she goes on Barbara Walters I would take a bit off the top."

Even though Jones lost big, I think she has dramatized once and for all the importance of the right hairdo when attacking the president of the United States. They have a saying at Pepperdine Law School: "If someone combs her own hair before facing a Starr grand jury, she has a fool for a hairdresser."

The Mysterious Mitterrand as Secret Father

By Alan Riding
New York Times Service

PARIS — In death as in life, Francois Mitterrand fascinates France.

Of some 200 books in print covering his political career and his two presidential terms from 1981 to 1995, 50 are biographies, many of them published since his death in January 1996. Yet even these have not sated the public's appetite for insights into his complex, contradictory, secretive and intellectual personality.

Mitterrand savored the aura of mystery that surrounded him. He fathered a daughter out of wedlock in the mid-1970s, but France only learned of her in late 1994 when the aged and ailing president, apparently eager to recognize her publicly before his death, was photographed with her. He also left orders for the young woman, Marine Pinget, and her mother to join his widow and their two sons at his funeral. They did so, to the surprise of many French.

Now it is the turn of Pinget, 23, to reveal a new facet of Mitterrand — as a secret father — with the publication this month of her first novel, called "A First Novel." She insists that it is neither autobiography nor roman à clef, yet the poignant relationship between the book's heroine, Agathe, and her father seems too real to have been invented. And appropriately, Pinget has dedicated the novel to her late father.

"People write their lives, always to some extent transformed," she said in a telephone interview. "When one has a lot of experience, I'm sure one can write fiction without having to start with basic material. But for a first novel, it's simpler to take from the experience of life. It's more authentic in a way."

Unsurprisingly, she wants to be known first and foremost as a writer. "And by my fifth novel this may be possible," she said. But for the moment at least, if her book was

announced on the front page of *Le Monde*, if her photograph is on the cover of *Le Nouvel Observateur* and if she was interviewed Sunday night on "Public," a popular television program, it is simply a measure of the public's interest in the love child of a former president.

In the novel itself, it is also her descriptions of Agathe's publisher father that are being most closely studied for clues to how Pinget remembers her own father. And the answer is, with love and admiration.

"He was old, but in his political and moral approach to life, he was the youngest person she had ever

'It's my name. I have a right to do as I like without having to disguise it.'

known," Pinget writes. And of Agathe's parents, she writes, "They were longtime lovers, unmarried, each living their own lives, but loving each other more than anything."

Perhaps most revealing is the description of Agathe's closeness to her father: "Father and daughter formed an invincible pair capable of intimidating not only outsiders but also family members. Their complicity needed no words; their silence sufficed. They were a single being."

But father also doted on daughter. "He loved her lightness, her excesses, her outrageous beauty," Pinget writes of her fictional double. "He watched her, jealous and possessive; he admired her."

Certainly, it is easy to imagine Mitterrand enchanted by a bright and articulate adolescent daughter who was attending one of France's top lycées and with whom he could discuss politics, philosophy and literature. But Pinget said that he was also present when she was small. "He was there all the time," she said. "It could seem paradox-



Pinget reveals a new facet of Mitterrand in "A First Novel."

ical, but he was completely there, not only intellectually."

In "A First Novel," the father figure appears whenever Agathe needs him, but he is not central to the story, which is set among the *jeunesse dorée*, or golden youth, of the Left Bank in Paris. Like Pinget, Agathe and her boyfriend, Victor, are hard working and hard playing students at the elite *Ecole Normale Supérieure*. But when Victor goes to London to pursue research, he falls for an older woman.

And while he is away, Agathe suffers a riding accident (as Pinget did when she was 12) that alters her view on life.

Betty Milet, Pinget's editor at Julliard, has compared the book to "Bonjour Tristesse," which Francois Sagan published in 1954 at the age of 18. But she also hears echoes of Simone de Beauvoir and Marguerite Yourcenar in Pinget's writing. Josyane Savigneau of *Le Monde* is so far the only critic to have reviewed the book, and she,

too, draws parallels with de Beauvoir and Yourcenar. The novel displays "ambitions rarely aspired to by young writers today," Savigneau wrote. "A complex narrative voice, tracing many characters from a variety of vantage points."

For Pinget, who is now doing postgraduate philosophy studies, publication of her first fiction is also an important step in her attempt to assert her own identity. Until she was nearly 20, she recalled, she lived inside "a bubble" in which only her closest friends shared the secret of her father's identity. But after Paris-Match published photographs of her with Mitterrand, she said, she became the target of paparazzi. "It was awful, humiliating, unbearable," she said.

When she came to publishing her first novel, she even considered using a pseudonym, but she rejected the idea, concluding that it would only encourage the press to try to discover the real author. "Anyway, it's my name," she said. "I have a right to do as I like without having to disguise it. I don't see why I shouldn't live normally with my own name. I have no need to hide it. And if I write, why not use it? It's also my identity."

She also has good reason to think that her father would be proud of his daughter's book. And at a time that Mitterrand's place in history is still very much to be defined, she has reciprocated his pride by portraying him, indirectly at least, as a loving and loyal father. "I have dedicated the book to him because it is the most beautiful way of perpetuating his memory," she said.

Still, while willing to assume the risks of writing fiction, Pinget is not ready to face what she fears will be a new wave of harassment by paparazzi. She has therefore left France and is writing her second novel in a country that her editors will not disclose. "I have gone into 'exile' to flee all that," she said cheerfully in a telephone call to Paris that she initiated. "I'll be back some day. I don't know when."

PEOPLE

ALL aboard! There are plans for another Titanic. A Swiss-U.S. partnership says it will build a \$500 million, full-size replica of the luxury liner and send it across the Atlantic in April 2002, the 90th anniversary of the liner's sinking. "It cannot sink," said Walter Navratil, president of the Swiss development company White Star Line Ltd. He said the oil-fueled steamer would make a round trip from Southampton, England, to New York. The ship will pause in the North Atlantic 560 miles (900 kilometers) off Newfoundland, where more than 1,500 passengers died on April 15, 1912.

Berlin remembered the conductor Herbert von Karajan on what would have been his 90th birthday, naming a street after the maestro who led the city's philharmonic orchestra for nearly 35 years. Karajan led the Berlin Philharmonic from 1955 until he stepped down in April 1989 for health reasons. He died three months later.

A thank-you note Mother Teresa wrote in 1981 but forgot to mail has finally arrived. And it couldn't have come to Gilbert Ortiz at a better time. The same day last week that the 70-year-old Ortiz learned his kidneys were failing and he had an aneurysm on his aorta, he received the inspirational letter postmarked Calcutta. It was a typed letter, dated Nov. 28, 1981, thanking him for a donation. Mother Teresa died in September last year, and a Missionaries of Charity nun came

across the letter recently while sorting through her papers. "I'm only 5-foot-5, but with this letter I'm 8 feet tall," Ortiz said.

More than a year after ABC News announced his successor, Roone Arledge is ready to cede control of the network's news division. The New Yorker reported, Arledge will probably retain his title as chairman of ABC News, but he has agreed to give up decision-making authority in June to his deputy.

Saved by the Barber of Seville

LONDON — A British opera singer in a "skinhead" costume had to belt out an aria to prove his identity when challenged in the street by two angry black men. Quentin Hayes was dressed to look like a white racist thug. The Times reported Monday, when he slipped out during rehearsals to make a phone call. There he was confronted by the two men, who took him for a member of a far-right group. He tried to explain that he was dressed for a performance of Janacek's "The Cunning Little Vixen." But it was only when he burst into Figaro's aria from "The Barber of Seville" that his story was accepted.

David Westin, the president of ABC News. ABC says it is talking with Shelby Coffey 3d, the former editor of the Los Angeles Times, about a senior management position at ABC News. Coffey would reportedly be working closely with Westin, perhaps as a deputy.

Pete Seeger brought Paul Robeson's memory to life at a tribute to the activist musician, performing his signature tune "Ol' Man River" for a crowd at Columbia University in New York City. Fans who attended also honored Robeson with musical performances and political debate, while authors, actors and journalists recalled the black-listed performer and civil rights activist. Robeson was born in Princeton, New Jersey, on April 9, 1898. He died in 1976. More than 150 events are planned worldwide in celebration of his birth.

Ronald Reagan has been memorialized with a larger-than-life bronze statue at the National Cowboy Hall of Fame in Oklahoma City. The statue, by the sculptor Glenna Goodacre, depicts Reagan in denim garb, with a pair of gloves flopping out of his back pocket and extending his hand in greeting. Reagan's daughter, Maureen, said the statue was "very Ronald Reagan." The former president, who is suffering from Alzheimer's disease, did not attend the ceremony at the 37th annual Western Heritage Awards.



CHEERLEADERS — Rosie O'Donnell, left, and Madonna whooping it up at the Kids Choice Awards.

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